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Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: strengthening of the coordination of emergency humanitarian assistance of the United Nations

Central Emergency Response Fund

Report of the Secretary-General

Summary

The present report on the Central Emergency Response Fund is submitted pursuant to General Assembly resolution 63/139 of 11 December 2008 and covers activities from 1 July 2008 to 30 June 2009. Within the reporting period, the Emergency Relief Coordinator allocated $374.3 million from the Fund to implement life-saving activities in 50 countries/territories. Fourteen humanitarian agencies received funds directly from the Fund to address emergency needs and many projects were carried out in partnership with non-governmental organizations. The Fund has strengthened its operations and has continued its role as a critical component of humanitarian response. To maintain and improve the effectiveness of the Fund, increased political and financial support is required from Member States, particularly in the light of the negative effects of the global economic crisis and other global trends.

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I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 63/139 of 11 December 2008, in which the Assembly requested the Secretary-General to submit to it a detailed report on the use of the Central Emergency Response Fund. The report covers activities from 1 July 2008 to 30 June 2009.

II. Overview of the Fund

Funding commitments[1]

2. Building on three years of operations, the Central Emergency Response Fund continued to enable prompt, life-saving action and to support inadequately funded, essential humanitarian response activities. During the reporting period, the Emergency Relief Coordinator, as Fund Manager,[2] approved grants totalling US$ 374.3 million for United Nations specialized agencies, funds and programmes and the International Organization for Migration (IOM)[3] to support relief operations in 50 countries/territories. This amount was made up of grants totalling $274.5 million through the rapid response window and $99.8 million through the underfunded window. Table 1 provides an overview of grants allocated during the reporting period.

Table 1
Central Emergency Response Fund allocations[a] (1 July 2008-30 June 2009)[b]

	Total grant allocations
Amount approved	$374.3 million
Number of recipient countries/territories	50
Number of projects funded	475
Average project amount	$788 000

[a] For the purposes of the present report, "allocations" refer to fund amounts allotted to specific countries/territories or regions by the Emergency Relief Coordinator.

[b] Financial figures reflect project amounts approved by the Emergency Relief Coordinator and do not reflect actual United Nations certified financial values.

3. Funding through the rapid response window was aimed at jump-starting humanitarian response efforts to address crises as efficiently and effectively as possible. A breakdown of rapid response grants shows that projects in response to protracted conflict-related emergencies (including support services for refugees and internally displaced persons) received the highest total allocations at $113.9 million, while natural disaster-related allocations totalled $84.2 million. Funding allocated specifically to respond to life-saving needs in the light of the global food crisis amounted to $72.4 million.

[1] Financial figures reflect funds approved by the Emergency Relief Coordinator as at 30 June 2009 and do not reflect actual United Nations certified financial values.

[2] See General Assembly resolutions 60/124 and 46/182.

[3] Collectively referred to as "agencies" or "humanitarian agencies" in the present report.

4. The $84.2 million allocated to rapid response projects related to natural disasters during the reporting period was significantly less than the approximately $124 million committed in the previous reporting cycle (July 2007-June 2008). This was at least partially due to the occurrence of fewer large-scale natural disasters in the period under review. In addition, allocations categorized as responding to the global food crisis may have captured some grants that previously could have been categorized as being for natural disasters.[4] Of the amount allocated, approximately $57 million was in response to needs resulting from floods, droughts or hurricanes. Funding for programmes to combat outbreaks of disease, such as the cholera epidemic in Zimbabwe early in 2009, accounted for approximately $16.9 million, up from $10.6 million in the previous reporting period. Earthquake-related allocations were reduced significantly, from over $15 million in the previous reporting period to less than $2 million. Another $2.6 million in rapid-response grant allocations was approved to respond to pest outbreaks, such as locust infestations. Table 2 provides a breakdown of funding provided from the Central Emergency Response Fund in response to natural disasters, per calendar year, since the inception of the grant element in 2006.

Table 2
Central Emergency Response Fund rapid-response funding in response to natural disasters
(millions of United States dollars)[a]

	15 March 2006 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2007 to 30 June 2008*	*1 July 2008 to 30 June 2009*	*Total (by type of disaster)*
Floods/droughts/hurricanes/ cyclones	14.3	90.1	93.7[c]	57.0[b]	**255.1**
Disease	1.2	16.7	10.6	16.9	**45.4**
Earthquakes	—	0.7	15.3	2.0	**18**
Pest outbreaks	—	1.3	2.0	2.6	**5.9**
Heat/cold wave	—	—	2.4	5.7	**8.1**
Total	**15.5**	**108.8**	**124**	**84.2**	**332.5**

[a] Financial figures reflect project amounts approved by the Emergency Relief Coordinator and do not reflect actual United Nations certified financial values.
[b] This does not include funding allocated to drought-affected countries in 2008 through the Central Emergency Response Fund reserve for the global food crisis.
[c] Some $89.8 million of this total was allocated in response to droughts.

5. In May 2008, demonstrating the flexibility of the Fund as a tool to address global challenges in a rapid manner, the Emergency Relief Coordinator established a reserve of $100 million from existing rapid-response resources to cover needs stemming from the global food crisis. The $72.4 million which was allocated from this reserve through the rapid response window was in response to requests for some $255.5 million in 2008 by resident coordinators and humanitarian coordinators in 30 countries to address emergency needs resulting from the food crisis. By the end

[4] Natural disasters, such as drought, were one of many factors contributing to the global food crisis.

of 2008, humanitarian agencies operating in 26 countries had received allocations to support 87 projects in eight different clusters/sectors to ensure a comprehensive, multi-sector response. The three largest recipients of funds from the reserve were the World Food Programme (WFP) (some $50 million), the Food and Agriculture Organization of the United Nations (FAO) (some $20 million) and the United Nations Children's Fund (UNICEF) (some $20 million). In total, nearly 18 million people affected by rising food prices and shrinking safety nets benefited from these funds from the reserve. In 2009, grant requests related to the ongoing food crisis have been reviewed on a rolling basis, given that the Emergency Relief Coordinator did not set aside another specific reserve. Numerous project proposals in 2009, particularly through the underfunded window, have included reference to the ongoing needs stemming from the food crisis.

6. During the reporting cycle, the Emergency Relief Coordinator allocated $99.8 million to 19 countries through the underfunded window in order to strengthen key elements of humanitarian response in crises that had attracted insufficient donor support. The Emergency Relief Coordinator makes funds available from the underfunded window in semi-annual rounds. Allocation decisions are based on a wide range of data and consultation processes to determine which countries would most benefit, due emphasis being placed on humanitarian needs and principles. Within the selected countries, the regional humanitarian coordinator leads an inter-agency process to prioritize needs and propose projects to be funded through the Central Emergency Response Fund. Typically, the Emergency Relief Coordinator, in consultation with the regional coordinator and agencies at the country level, aims to commit a larger proportion of the underfunded allocations in the first annual round. Having the funds at the beginning of the year enables country-level partners to plan the use of their resources better. The second round, which is typically smaller, is aimed at addressing remaining unmet needs midway through the year. For example, in 2008, $101.7 million was allocated in the first underfunded round, while $26.6 million was allocated in the second round. In 2009, $75 million was allocated to the first round and $55 million has gone towards the second.

7. As recommended in the two-year evaluation of the Central Emergency Response Fund, the Fund secretariat, together with humanitarian agency partners, is currently carrying out a review of the underfunded window processes, which will result in updated guidelines for allocating funds and improvements in the management of the allocation process. These guidelines will be fully implemented for the 2010 underfunded rounds.

8. The loan element of the Fund, which was its original element, is available as a cash flow mechanism when funds expected from donors have not yet been received. However, during the reporting cycle, no formal requests for loans were submitted. Disbursements were made for two loans, totalling $30 million, for WFP projects in Ethiopia and the Democratic Republic of the Congo which had been approved prior to the reporting period.[5] Both loans were reimbursed in full during the reporting period. The Office for the Coordination of Humanitarian Affairs is considering how to utilize the Central Emergency Response Fund loan element in conjunction with country-based pooled funds, particularly emergency response funds; the goal would

[5] These loans were included in the previous report (A/63/348).

be to ensure sufficient cash flow at the onset of an emergency for small, localized initiatives in countries where such funds exist.

III. Key results based on objectives

9. In line with the humanitarian reform aim of ensuring that emergency response is more timely and predictable, the Central Emergency Response Fund has three primary objectives: promoting early action and response to reduce loss of life, enhancing response to time-critical requirements, and strengthening core elements of humanitarian response in underfunded crises (see resolution 60/124, para. 15). In line with these objectives, emergency operations of 14 humanitarian agencies working in 11 clusters/sectors were funded by the Central Emergency Response Fund (see figs. I and II below). These agencies worked with numerous humanitarian partners, including Governments and national and international non-governmental organizations, to carry out critical projects aimed at addressing life-saving needs. Examples of action of the Fund with regard to each of its three primary objectives are provided below.

A. Promoting early action and response

10. Through the Fund, agencies have the means to start or scale up operations to promote early action and improve overall humanitarian response. UNICEF, one of the largest recipients of funds from the Central Emergency Response Fund, received $94.9 million during the reporting cycle to carry out essential response activities in a number of clusters/sectors, including water and sanitation, health and nutrition, education and child protection. The Fund continues to work well in conjunction with the UNICEF internal loan facility, the Emergency Programme Fund, which allows disbursement within 24 hours. As one example, in November 2008, the humanitarian country team in Sri Lanka requested funding from the Central Emergency Response Fund for urgently required assistance focused on internally displaced persons in the north of the country. UNICEF received approximately $1.2 million to help ensure a coordinated response and address the needs of the most vulnerable, working closely with other humanitarian partners. UNICEF activities included the provision of hygiene kits to nearly 8,000 families and the improvement of drinking water and sanitation facilities in nine camps for internally displaced persons. In addition, enough temporary learning shelters and child friendly spaces were constructed to serve at least 1,800 children and to provide access to basic nutrition services, including management of acute malnutrition in children under 5 years of age and pregnant and lactating women in targeted areas. UNICEF reported that it had reached over 60,000 beneficiaries in Sri Lanka in 2008 through activities funded from the Central Emergency Response Fund, coupled with other funding. In 2009, as the humanitarian situation in Sri Lanka rapidly deteriorated, UNICEF received a further $6.1 million, out of a total $21 million allocated to Sri Lanka through the rapid response window in 2009, to carry out 10 projects supporting the affected populations.

11. The humanitarian situation of Nepal, one of the most vulnerable countries in the Asian and Pacific region, deteriorated in October 2008 when conflict, displacement and chronic poverty were exacerbated by rising food insecurity and

severe flooding. The United Nations Population Fund (UNFPA) intervened in the acute emergency phase to provide essential reproductive health services, gender-based violence screening and HIV/AIDS awareness for internally displaced persons and refugees in the flood-affected areas. In addition to establishing a mobile clinic, UNFPA distributed reproductive health equipment, drugs and supplies, as well as hygiene kits. Approximately 5,000 individuals, 70 per cent of them women, received medical and reproductive health services and gender-based violence counselling. Activities provided under projects funded from the Central Emergency Response Fund were supplemented by UNFPA core resources and programmes. All relief activities were guided by the Inter-Agency Standing Committee's gender handbook and guidelines on gender-based violence interventions in humanitarian settings.

12. WFP received support through the rapid response window to respond to flooding and landslides in Central America in 2008 that left thousands displaced and vulnerable to malnutrition and disease. Through the use of approximately $600,000 from the Central Emergency Response Fund, WFP provided 721 metric tons of food commodities to meet the immediate food needs of 34,000 flood-affected people in Guatemala. Further, working with implementing partners in Honduras, WFP reached 100 per cent of the beneficiaries targeted (40,150 people), thus averting increased rates of acute malnutrition among the flood-affected population.

13. In August 2008, an influx of Somali refugees into the eastern part of Ethiopia strained that country's ability to provide safe refuge. The Office of the United Nations High Commissioner for Refugees (UNHCR) received $1.5 million from the Fund to address vital needs of newly arriving refugees, including support to open two new camps (Aw Barre and Shedder). Approximately 1,700 new shelters were constructed and, since most refugees had crossed the border without any belongings, plastic sheeting, kitchen sets, soap, sanitary napkins, cooking stoves and fuel, blankets, nets and jerrycans were distributed. The provision of fuel-saving stoves had a special impact on the lives of women and girls, as they no longer had to travel outside of the camp to collect firewood, which previously had exposed them to harmful situations, such as sexual and gender-based violence.

14. To save the lives of those affected by the earthquake and offer them support during the harsh winter in Balochistan, Pakistan, the United Nations Human Settlements Programme (UN-Habitat) designed and distributed an emergency transitional winter shelter before the first heavy snowfall of the season arrived. The shelter was adapted on the basis of feedback from beneficiary communities, Government authorities and cluster members. Locally procured resources were used, which contributed to stimulating the local economy. The shelters helped prevent massive migration, as they allowed displaced families to remain relatively close to their homes. UN-Habitat reports that the project, funded with a rapid response Central Emergency Response Fund grant of $886,923, played a catalytic role and had a multiplier effect in leveraging additional funds to expand coverage. Based on this response, the shelter has become a model winter shelter and UN-Habitat has been asked by the Government of Pakistan to assist with more permanent housing solutions for affected communities.

15. In May 2009, as the humanitarian situation in Pakistan quickly deteriorated because of increased violence, the Central Emergency Response Fund approved funding through the rapid response window to respond to the growing crisis of the internally displaced. Within this allocation, WFP received $2.7 million to provide

urgently needed food assistance to internally displaced persons living inside and outside of camps in the North-West Frontier Province. With that funding, complemented by funding from other sources, WFP aimed to provide essential food assistance to internally displaced persons in eight districts where over 600,000 internally displaced persons were located.

16. During the reporting period, UNDP received a total of $4.5 million to address life-saving needs in a number of clusters/sectors, including: agriculture/livelihoods, water and sanitation, shelter and non-food items and critical infrastructure repair. In Cameroon and Sri Lanka, for example, UNDP received Fund resources that made the prompt strengthening of the United Nations security management structure in the country possible, thus enabling the safe delivery of essential humanitarian assistance to severely affected populations.

B. Enhancing response to time-critical requirements

17. The Central Emergency Response Fund can be an essential funding tool not only in the case of sudden disasters, but also in situations where a time-critical response can prevent a crisis from escalating into a full-fledged disaster, thereby reducing its overall cost and impact in the longer term. In April 2009, the Fund committed, in its first regional allocation, time-critical funding to FAO to respond to an infestation of red locusts in Malawi, Mozambique and the United Republic of Tanzania. The infestation could potentially have affected the livelihoods of more than 15 million people in central, eastern, and southern Africa. With the support of a rapid-response grant of $1.9 million, FAO was able to mobilize quickly and, within one month, had already treated nearly 14,000 hectares, mostly using environmentally friendly bio-pesticide, to ensure containment of the locust infestation. Major swarm escapes and invasions of cropping areas were averted. The project also relied on close collaboration with other humanitarian partners, including non-governmental organizations in the region.

18. Central Emergency Response Fund financing often serves to fill gaps in financing or jump-start projects that require immediate support in a limited, critical period. This was the case in Niger when an outbreak of meningitis was declared in June 2008. Central Emergency Response Fund funding to the World Health Organization (WHO) was combined with support from national authorities and international non-governmental organizations to supply vaccines and carry out a vital vaccination campaign in 10 districts. In the Birnin Konni district, the campaign resulted in 80 per cent coverage of the population in only three weeks, causing the number of meningitis cases to decrease significantly and helping contain the outbreak. Overall, through the coordinated efforts of WHO, the Government and non-governmental organizations, nearly 800,000 people were vaccinated and 2,262 people were treated for meningitis.

19. Speed of Central Emergency Response Fund response continues to be a priority. During the reporting period, rapid-response grant requests required an average of three days from final submission to approval by the Emergency Relief Coordinator. In sudden onset crises, the processing time for the approval of grants can be even further reduced. For example, early in 2009, during the crisis in Gaza, the Emergency Relief Coordinator approved five rapid-response projects, totalling approximately $7 million, on the same day the requests were submitted to the Fund

secretariat. Up to 200,000 people affected by fighting directly benefited from the projects funded from the Central Emergency Response Fund, which included support for safe drinking water, emergency shelter and fuel, and ready-made meals. In Sri Lanka, the humanitarian country team made two separate project requests in February and May 2009 to support critical emergency response activities in conflict-affected areas of the country. It took one day for the Emergency Relief Coordinator to approve these requests, for a combined total of over $21 million.

C. Strengthening core elements of humanitarian response in underfunded crises

20. The third objective of the Fund, strengthening response for underfunded crises, involves providing support for relief activities in countries that, despite significant humanitarian needs, have not received adequate attention from the donor community. Allocations made through the underfunded window also promote greater predictability and equity in humanitarian financing, often enabling the continuation of critical but chronically under-supported aspects of an emergency response, increasing coverage and strengthening humanitarian coordination. In 2008, 11 of the 20 countries receiving funds through the underfunded window participated in the consolidated appeals process. Allocations through the underfunded rounds can ensure more equitable funding of consolidated appeals, including for underfunded clusters/sectors. In 2008, the clusters/sectors receiving the largest share of funds through the underfunded rounds were health and nutrition (24 per cent), food (20 per cent), shelter/non-food items (14 per cent) and water and sanitation (13 per cent).

21. In 2008, the humanitarian crisis in Zimbabwe worsened as poor water supply, sanitation and hygiene led to outbreaks of diarrhoea and cholera. By early 2008, there were more than 10,000 cases of diarrhoea and more than 120 cases of cholera; yet the humanitarian community had insufficient resources to respond to growing emergency needs. The Emergency Relief Coordinator selected Zimbabwe for a grant through the underfunded window. IOM received support from the Fund in March for projects in multiple clusters/sectors. In the health and water and sanitation clusters/sectors, IOM, along with a number of non-governmental organizations, coordinated activities for some 32,000 beneficiaries affected by cholera and diarrhoea. With additional funding received from the Fund in April 2009, under-supported activities, including training of community health volunteers and health staff, improving cross-border disease surveillance, prevention and case management, could be maintained or started. The construction of temporary pit latrines and the rehabilitation of water points at border areas and in communities of mobile and vulnerable populations were carried out. In the education sector, IOM increased access to quality education for approximately 19,000 children in such communities.

22. Chronic shortcomings in the humanitarian response to the crisis in Afghanistan led the Emergency Relief Coordinator to allocate grants totalling $8.8 million to humanitarian agencies through the underfunded window in 2008. These grants responded to the needs of approximately 160,000 internally displaced persons and returning refugees suffering from drought and harsh weather conditions. Assessments found that some 1.15 million people were at risk of drinking water shortages, malnutrition and displacement, while the 2008 Afghanistan Joint Emergency Appeal remained significantly underfunded at only 49 per cent coverage.

IV. Administration and management of the Central Emergency Response Fund

A. The Central Emergency Response Fund secretariat

23. The Emergency Relief Coordinator's role as fund manager is supported by the Central Emergency Response Fund secretariat, which is situated within the Office for the Coordination of Humanitarian Affairs (see ST/SGB/2006/10). The secretariat's duties include reviewing and processing funding proposals, developing and providing policy guidance, consulting closely with agencies and partners, coordinating inter-agency processes, carrying out public information and reporting functions, supporting regional/humanitarian coordinators in accessing funds from the Central Emergency Response Fund, supporting the Central Emergency Response Fund Advisory Group, and managing the Fund's database and website. In order to carry out these functions, and at the recommendation of the Advisory Group, the secretariat has increased in size and capacity, now having 23 posts, including three seconded staff, one each from UNHCR, WFP and FAO. This has brought about notable improvements in the speed and effectiveness of the Fund, particularly in terms of processing grant requests, supporting country-level processes and improved reporting, information-sharing and communication. For example, the Fund secretariat enhanced its process for reviewing all annual narrative reports on projects funded from the Central Emergency Response Fund carried out in 2008, to ensure better tracking of progress on real achievements versus expected results as outlined in project proposals.

24. To facilitate quality and accountability standards, the secretariat provides training, guidance and support to various stakeholders on how to access and report on funds provided from the Central Emergency Response Fund. Training is offered to agency partners and non-governmental organizations at the regional and field levels. Regular training for humanitarian partners has improved the speed and quality of the proposals and reports submitted to the Fund and helped improve its overall efficiency and effectiveness. During the reporting cycle, approximately 470 United Nations, IOM, national and international non-governmental organization, Red Cross Movement and Government representatives at the field, regional and headquarters levels participated in 11 Central Emergency Response Fund workshops. Eight workshops were held at the regional level, two at the headquarters level and one at the country level. Approximately 15 per cent of the participants were from non-governmental organizations. Sessions on humanitarian financing and the Central Emergency Response Fund were carried out for all humanitarian coordinators and included in regional resident coordinators' workshops.

25. In order to promote accessibility, transparency and accountability, the Central Emergency Response Fund secretariat maintains a website (http://cerf.un.org) providing up-to-date information on how to apply for funding, current and previous Central Emergency Response Fund allocations and reports from regional/humanitarian coordinators on all projects funded by the Central Emergency Response Fund. The secretariat has made a practice of posting all relevant documentation online in a timely manner, including notes from Advisory Group meetings and information for contributors to the Fund. In 2009, the secretariat has also developed a communications strategy with the aim of explaining and promoting better the work of the Fund to further allow information to be shared transparently with stakeholders.

B. The Central Emergency Response Fund Advisory Group

26. Pursuant to General Assembly resolution 60/124, independent experts serve as members of the Advisory Group, to provide policy advice and guidance to the Secretary-General, through the Emergency Relief Coordinator, on the use and impact of the Fund. The Advisory Group met twice during the reporting period including, for the first time, holding a meeting with the United Nations Controller. Also for the first time, one third of the members rotated out of the Advisory Group and the appointment of new members was announced by the Secretary-General. During the Advisory Group meeting in April 2009, the members expressed satisfaction that the $450 million funding target for the Central Emergency Response Fund set by the General Assembly had been exceeded in 2008. They noted that, because of the global economic crisis, 2009 might be a challenging year, and called upon Member States to make every effort to increase their political and financial support of the Fund. The Advisory Group also attached great importance to progress made regarding the recommendations resulting from the two-year evaluation of the Fund, and the development of a performance and accountability framework to ensure accountability and demonstrate the value added of the Fund.

27. At the meeting of the Advisory Group in April 2009, members of the Group pressed for urgent improvements in the funding relationship between United Nations agencies and non-governmental organizations. They requested the Emergency Relief Coordinator to put that issue on the agenda of the Inter-Agency Standing Committee, since it could not be resolved by the Advisory Group itself. In response, the Emergency Relief Coordinator communicated to Inter-Agency Standing Committee principals in May 2009 the suggestion that the Inter-Agency Standing Committee Working Group take up that issue.

C. Inter-agency consultations

28. Consultations with agencies regarding the Fund continue to take place regularly through Inter-Agency Standing Committee structures, as well as at the working level through the Central Emergency Response Fund inter-agency group and the Central Emergency Response Fund partnership task force. Twenty-five inter-agency meetings were held during the reporting period, allowing for discussions on both operational and policy issues, including the preparation of the management response matrix for the recommendations resulting from the two-year evaluation, and the preparation of the present report. The Central Emergency Response Fund partnership task force continued to meet to discuss issues relating to arrangements for funds sub-granted from agencies to non-governmental organizations, and to prepare background materials for two Inter-Agency Standing Committee Working Group sessions on humanitarian financing and partnership issues in November 2008 and July 2009.

29. During the first half of 2009, inter-agency discussions focused on a possible reconfiguration of the consultation architecture. The Central Emergency Response Fund inter-agency group, having worked through a number of the key operational and policy issues, has gradually become more of an information-sharing forum. The partnership task force served as a useful platform for dialogue and information-sharing, resulting, for example, in the preparation of a set of targeted recommendations and a mapping of United Nations/IOM partnership frameworks.

However, its mandate prevented it from moving forward, given the technical nature of partnership/contractual issues and the fact that those issues are not specific to the Fund.

30. The Fund secretariat therefore led a process aimed at reviewing the issues that required sustained attention and rationalizing the number of bodies and meetings. One relevant factor was the establishment in late 2008 of the Funding Coordination Section within the Office for the Coordination of Humanitarian Affairs to support country-based pooled funds. This created a new opportunity to engage Inter-Agency Standing Committee organizations at the headquarters level on issues relating to country-based pooled funds as well as to the Central Emergency Response Fund.

31. In consultation with agency and non-governmental organization partners, a proposal was put forward to the Inter-Agency Standing Committee Working Group in June 2009 to create an Inter-Agency Standing Committee group on humanitarian financing, which would consider both the Central Emergency Response Fund and country-based pooled funds, with the overall aim of leading to a more coherent and integrated system. This would help limit the consultation architecture and ensure that inter-agency discussions on key issues take place with the right profile of representation.

D. Improvements in the Central Emergency Response Fund operational framework, including progress on the recommendations resulting from the two-year evaluation

32. In his previous report (A/63/348), the Secretary-General detailed key findings and recommendations of the General Assembly-mandated independent review of the Fund at the end of its second year of operation. He did not include a response to the 37 strategic and operational recommendations made, since the final evaluation report was officially circulated only in September 2008. The Fund secretariat prepared a management response matrix in November 2008 in consultation with United Nations agencies, IOM, non-governmental organizations and the office of the United Nations Controller. The matrix serves as a road map for the work that needs to be completed before the next evaluation of the Fund in 2011. It details the response and action to be taken for each recommendation, and is updated and shared with Member States, the Central Emergency Response Fund Advisory Group and organizations of the Inter-Agency Standing Committee on a semi-annual basis. The most recent update of the matrix was completed and circulated in April 2009.

33. Of the recommendations made, 22 have been accepted, 8 partially accepted, 1 rejected and 6 are pending. Implementation of a number of the recommendations is under review and discussion within the United Nations Secretariat. Other recommendations relating to United Nations/IOM-non-governmental organization funding/contractual arrangements require the attention of the Inter-Agency Standing Committee Working Group or other forums for implementation. The Emergency Relief Coordinator has asked the Inter-Agency Standing Committee principals to work together to address long-standing partnership issues, particularly those highlighted by the Central Emergency Response Fund evaluation, adopting a more comprehensive agency-wide approach.

34. Discussions around the management response matrix provide an opportunity to continue to strengthen the operational framework of the Fund and to address

remaining challenges. The Fund secretariat is leading an inter-agency process aimed at revising the Secretary-General's Bulletin on the establishment and operation of the Central Emergency Response Fund (ST/SGB/2006/10), in order to take into account findings from the evaluation, as well as experience gained after three years of the Fund's operation. The changes to the bulletin will focus on refining the operational guidance on the use, management and administration of the Fund, including clarification of the role of the Emergency Relief Coordinator; the definition of the implementation period and the time frame for the delivery of goods and services; the field-driven nature of the application process and the central role played by regional/humanitarian coordinators in establishing priorities for funding; loan procedures; and oversight, accountability and reporting requirements. Consultations with the agencies and the Office of Programme Planning, Budget and Accounts of the Department of Management began in May 2009. The revised bulletin is expected to enter into force by the end of 2009.

35. A revised bulletin is a prerequisite to moving forward on an umbrella letter of understanding, the development of which is being undertaken in parallel to the revision of the bulletin. This umbrella agreement is aimed at improving the timeliness of funding from the Central Emergency Response Fund by streamlining the administrative steps in the disbursement of grants. An umbrella letter of understanding would consist of a standard agreement between the Emergency Relief Coordinator and each eligible recipient, eliminating project-specific letters of understanding except in certain circumstances. Discussions on the agreement are continuing and a number of issues related to financial reporting and accountability will be finalized in the coming months. The umbrella letter of understanding is expected to be in use by early 2010.

36. A number of performance measures and accountability tools (such as the Fund's website, database and reporting framework) that have been put into place since the inception of the grant element of the Fund need to be integrated into a comprehensive framework. In line with recommendations resulting from the evaluation, the process for the development of a performance and accountability framework is under way. An initial proposal was submitted to the Central Emergency Response Fund Advisory Group in April 2009 and was refined following feedback from it. The framework will map out the responsibilities of the multiplicity of stakeholders in the accountability and performance of the Fund, such as the Emergency Relief Coordinator, the United Nations Controller, the Office for the Coordination of Humanitarian Affairs, the Central Emergency Response Fund secretariat, the Central Emergency Response Fund Advisory Group, the General Assembly and Member States, the Inter-Agency Standing Committee organizations, regional/humanitarian coordinators and United Nations country teams. It will outline accountability tools for the use and management of resources, as well as measures to assess the Fund's performance against the three objectives set out in General Assembly resolution 60/124, which established the grant element. The framework will be in place by the end of 2009.

37. The Fund's secretariat, in consultation with agency partners and the global cluster leads, is in the process of revising the guidelines on life-saving criteria with the overall aim of clarifying the types of humanitarian activity .hat fall within the Fund's mandate, a process that will be finalized by the end of 2009. The revision will promote better targeting of funds from the Central Emergency Response Fund, based on clearer prioritization of needs.

V. Trends and analysis

A. Regional funding

38. During the reporting period, sub-Saharan Africa received the highest percentage of funding (57.4 per cent), followed by Asia and the Caucasus (26.1 per cent), Latin America and the Caribbean (9.0 per cent) and the Middle East (7.5 per cent). Within sub-Saharan Africa, some $100 million was allocated to crises in East Africa and the Horn of Africa, approximately one fourth of all grants allocated by the Central Emergency Response Fund. Table 3 illustrates grant requests and approvals at the regional and subregional levels. Allocations (including rapid-response and underfunded grants) for natural disasters were fairly evenly distributed along regional lines: Latin America and the Caribbean ($28.7 million), Asia ($24.7 million) and Africa ($32.9 million).[6]

Table 3
CERF grant allocations by region and subregion (1 July 2008-30 June 2009)[a]

	Grants requested (millions of United States dollars)	*Grants approved (millions of United States dollars)*	*Approval (as a percentage of total allocations)*
Africa	**285.0**	**215.0**	**57.4**
East Africa and Horn of Africa	123.3	100.1	26.7
Great Lakes and Central Africa	59.4	43.9	11.7
Southern Africa	46.1	39.8	10.6
West Africa	56.1	31.1	8.3
Asia and the Caucasus	**112.0**	**97.5**	**26.1**
Caucasus	3.0	3.0	0.8
East Asia	14.0	13.4	3.6
South Asia	68.9	57.3	15.3
South-East Asia	13.0	11.1	3.0
South-West (Central) Asia	13.2	12.7	3.4
Caribbean and Latin America	**39.9**	**33.7**	**9.0**
Caribbean	23.8	22.5	6.0
Central America	6.3	3.0	0.8
South America	9.8	8.1	2.2
Middle East	**29.7**	**28.2**	**7.5**
Total	**466.6**	**374.3**	**100**

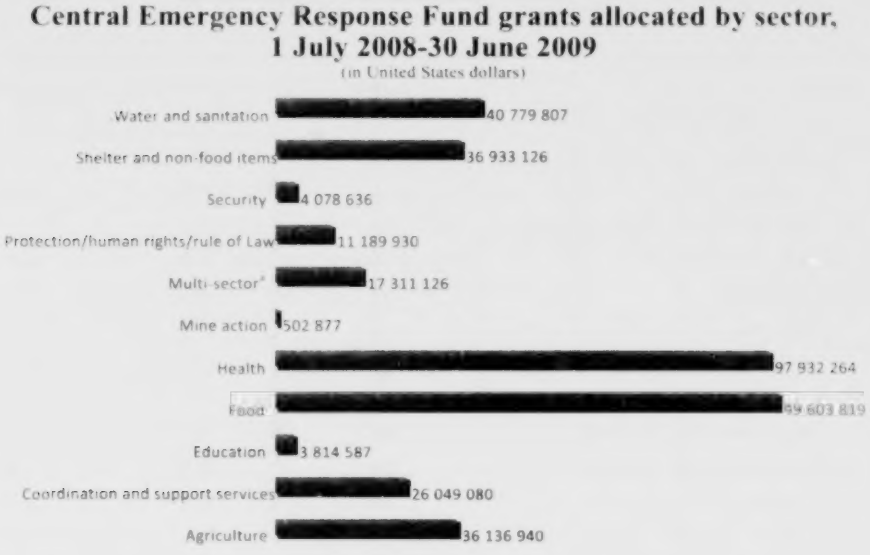
[a] Financial figures reflect project amounts approved by the Emergency Relief Coordinator and do not reflect actual United Nations certified financial values.

[6] Allocations to the Middle East for natural disasters totalled approximately $3 million.

B. Funding of clusters/sectors

39. The Central Emergency Response Fund committed funding towards 11 clusters/sectors during the reporting period (see fig. 1). As in previous years, the food ($99.6 million, 26.6 per cent) and health and nutrition ($97.9 million, 26.2 per cent) clusters/sectors continued to receive the highest amount of funding from the Fund, followed by water and sanitation ($40.8 million, 10.9 per cent). Nearly 10 per cent of funding was allocated to the agricultural sector during the reporting period, an increase compared with previous reporting periods that illustrates the importance of critical support to small holder livelihoods. The Fund also endeavours to support underfunded sectors that are increasingly recognized as essential aspects of humanitarian response efforts, including emergency education and protection/human rights/rule of law. While the total amounts allocated to these clusters/sectors are often significantly smaller than for other clusters/sectors, supporting them is critical to ensuring a more effective response overall.

Figure I
Central Emergency Response Fund grant allocations by clusters/sectors



Note: Financial figures reflect project amounts approved by the Emergency Relief Coordinator and do not reflect actual United Nations certified financial values.

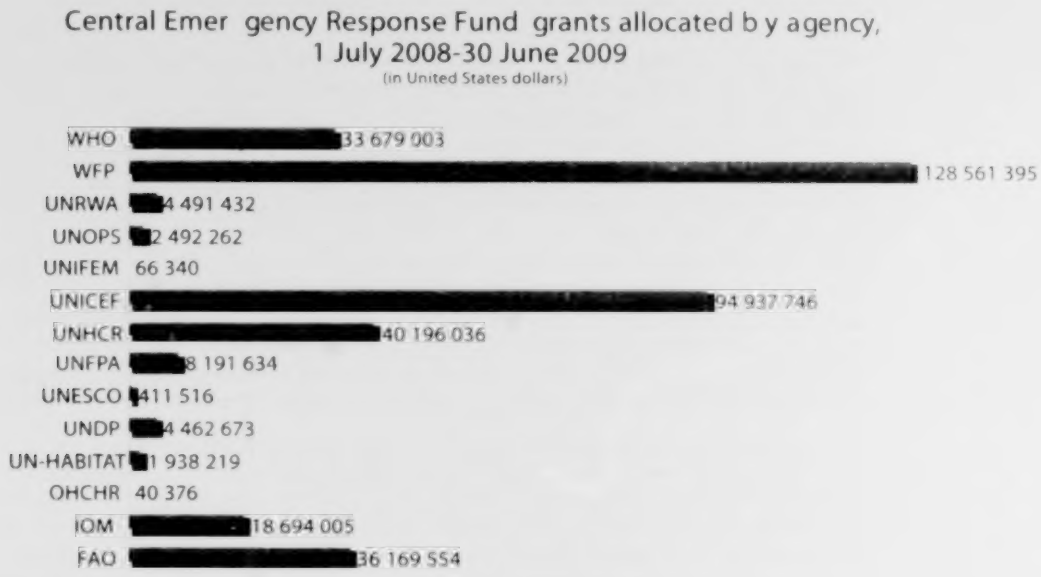
[a] Multi-sector largely constitutes funding for refugee assistance programmes.

C. Agency funding

40. Fourteen humanitarian agencies received direct support for emergency activities in the reporting period. Two agencies, the Office of the United Nations High Commissioner for Human Rights (OHCHR) and UN-Habitat received Central Emergency Response Fund allocations for the first time. As in previous cycles, the three agencies receiving the largest amounts of support were WFP ($128.6 million),

UNICEF ($94.9 million) and UNHCR ($40.2 million). Projects carried out by these agencies span a number of clusters/sectors, including food assistance, education, health and nutrition, shelter and non-food items, and water and sanitation.

Figure II
Central Emergency Response Fund grant allocations by agency


Central Emergency Response Fund grants allocated by agency,
1 July 2008-30 June 2009
(in United States dollars)
WHO 33 679 003
WFP 128 561 395
UNRWA 4 491 432
UNOPS 2 492 262
UNIFEM 66 340
UNICEF 94 937 746
UNHCR 40 196 036
UNFPA 8 191 634
UNESCO 411 516
UNDP 4 462 673
UN-HABITAT 1 938 219
OHCHR 40 376
IOM 18 694 005
FAO 36 169 554

Note: Financial figures reflect project amounts approved by the Emergency Relief Coordinator and do not reflect actual United Nations certified financial values.

D. Further observations

41. With commitments of approximately $25 million, the Central Emergency Response Fund has emerged as a particularly important and effective tool for jump-starting critical common humanitarian services for relief operations, such as humanitarian air services, logistics and security services for humanitarian partners. Efficient common humanitarian services can significantly affect how agencies go about their work and are an essential component of providing emergency assistance. In the Central African Republic, for example, funds from the Central Emergency Response Fund for the United Nations Humanitarian Air Service allowed staff from 40 humanitarian organizations to reach isolated regions across the country and deliver over 18 tons of critical cargo during three months of Central Emergency Response Fund support. The Fund secretariat, in consultation with WFP, which operates the United Nations Humanitarian Air Service, is currently finalizing guidelines on future use of the Fund to finance the activities of the Service, to ensure that the Fund is not seen as a source of continuing funding.

42. In 2008,[7] the Central Emergency Response Fund provided funding in response to all 12 flash appeals. Some 73 per cent of the amount allocated was approved before or within two weeks of the appeal launch (see table 4). In 2006 and 2007, funding from the Central Emergency Response Fund covered, on average, approximately 17.5 per cent of requirements included in the flash appeals. In 2008, Fund coverage of flash appeal requirements decreased to approximately 6 per cent of the total amount requested.[8]

Table 4
Timeliness of funding from the Central Emergency Response Fund to flash appeals, as a percentage of total Central Emergency Response Fund allocations to flash appeals per calendar year

	2006	*2007*	*2008*	*2009 (at 30 June)*
Funding before or within two weeks of launch of appeal	45%	87%	73%	50%
Funding three to four weeks after launch of appeal	23%	6%	10%	—
Funding more than four weeks after launch of appeal	31%	7%	17%	50%

43. In 2008, contributions from the Central Emergency Response Fund covered approximately 3 per cent of the total requirements originally requested in consolidated appeals. In terms of the total funds actually contributed in response to consolidated appeals, funding provided by the Fund accounted for 7.2 per cent of the total funds received. From 2006 to 2008, funding from the Central Emergency Response Fund to countries with a consolidated appeal process declined, while its funding to countries without a consolidated appeal process steadily increased.[9]

44. The importance of gender mainstreaming is increasingly acknowledged within the humanitarian community and is prioritized in the context of the Central Emergency Response Fund. Gender mainstreaming is encouraged with all humanitarian agencies that receive funding from, and in all Central Emergency Response Fund projects funded by the Central Emergency Response Fund. The Inter-Agency Standing Committee guidelines and tools on mainstreaming gender in humanitarian action have been used in implementing many projects. In order to promote greater gender equity in projects funded from the Central Emergency Response Fund, the 2008 reporting requirements were updated to include, among other things, gender disaggregated data and information on how gender mainstreaming was incorporated in each project at the country level. Information provided in the reports will enable a more comprehensive effort to be made to mainstream gender in projects funded from the Central Emergency Response Fund.

[7] Analysis on funding from the Central Emergency Response Fund in response to consolidated appeals and flash appeals is based on figures that were available as at 16 April 2009.

[8] Some of this shift can be explained by the more than tripling of flash appeal requirements in 2008 to $1.2 billion, as compared to $386 million in 2007.

[9] Central Emergency Response Fund funding to non-consolidated appeal process countries had disproportionately increased in 2008 as a result of disbursements from the Central Emergency Response Fund food crisis reserve.

VI. Funding levels

45. The General Assembly has set a $450 million annual funding goal for the Central Emergency Response Fund. In 2008, this goal was surpassed for the first time when $453 million was contributed by 74 Member States, one Permanent Observer and six private organizations.

46. In order to share information, engage in policy discussion and generate support for the Central Emergency Response Fund for 2009, a high-level conference was organized in New York on 4 December 2008. By 30 June 2009, as a result of this conference and other resource mobilization activities, nearly $388 million had been pledged by 73 Member States and one Permanent Observer, and approximately $241 million had been made available in contributions. Owing to fluctuations in exchange rates for the United States dollar, and the economic downturn, it will be a challenge to reach the $450 million target for 2009. Nonetheless, it is a sign of the strong support for the Fund that 20 Member States increased their contributions in their respective national currencies, while only nine Member States decreased their contributions.

47. Since 2006, 107 Member States and Observers have pledged to the Fund, well over half of the membership of the General Assembly. In 2008 and the first half of 2009, 30 Member States contributed to the Fund for the first time. In keeping with the intended management of the Fund, at the end of 2008, a carry-over balance of at least $30 million was maintained in order to be able to respond in the case of a sudden emergency.

48. In 2009, the high-level conference will be held in December to discuss developments concerning the Fund and to solicit support for its financing for 2010. In keeping with the purpose of the Fund, contributions to it should be additional to commitments to humanitarian programming and resources dedicated to international development cooperation, and Member States should continue to support humanitarian agencies directly on a bilateral basis as well as through the Fund.

49. The effects of the global economic crisis on humanitarian financing are still far from clear. The Fund secretariat, in coordination with other humanitarian financing mechanisms, has been monitoring pledges and contributions closely, while also advocating for Member States to maintain contributions at the level of previous years.

VII. Conclusions

50. The Fund has continued to be an essential part of the multilateral humanitarian financial architecture, enabling agencies to jump-start relief operations following sudden-onset disasters, filling gaps in time-critical emergencies and increasing the coverage of needs in crises facing funding shortfalls. In response to the recommendations resulting from the two-year evaluation of the Fund, the Central Emergency Response Fund Advisory Group and the Office of Internal Oversight Services, the Fund secretariat has continued to improve its operations, financial management and reporting. Improvements have resulted in increased transparency and accountability to Member States, humanitarian partners and the general public.

51. The management response matrix based on the recommendations resulting from the two-year evaluation serves as a road map for the Fund, with the objective of continuing to increase its effectiveness and improve its operations. Looking

forward, the Fund secretariat will focus on developing and implementing a performance and accountability framework, further reducing transaction costs through simplification and harmonization of procedures, reviewing and improving guidance materials, implementing new communication and resource mobilization strategies, strengthening partnerships with non-governmental organizations and addressing a number of issues related to administrative and financial procedures and reporting arrangements. Further, the secretariat will continue to strengthen the Fund's complementarity with other humanitarian financing mechanisms, including country-based pooled funds and agency emergency funds.

52. There are many challenges ahead for the international humanitarian community. The full impact of the global economic crisis is still unknown, but, combined with other major global trends such as climate change, could result in an increase in emergency, life-saving needs, accompanied by a stagnation or even reduction of humanitarian aid budgets. Vulnerable groups in developing countries are likely to bear the brunt of the impact, possibly resulting in migration, increased food insecurity and social unrest. Governments will likely be under pressure to reduce spending on overseas aid programmes, including humanitarian aid. Emergency needs may also grow as a result of the increasing frequency, unpredictability and severity of weather-related events, the continuing effects of the food crisis in many developing countries, and other trends, such as population growth and urbanization, as well as the continuation of complex emergencies like those in Afghanistan, the Democratic Republic of the Congo, Somalia and the Sudan.

53. Whatever the impact of these challenges, the Central Emergency Response Fund will continue to play a central role in ensuring a rapid and well-coordinated response that meets the needs of the most vulnerable throughout the world. Member States are reminded of the $450 million annual funding goal set by the General Assembly and also of the need to maintain support for a diversity of humanitarian funding tools. Enhanced political and financial support is required to maintain the viability of the Fund and meet the ever-increasing challenges ahead. The Fund needs this support to be better able to promote a more predictable, timely, equitable, accountable, impartial and effective humanitarian response.

Annex I

Total contributions to the Central Emergency Response Fund, 1 January 2008 to 30 June 2009

(United States dollars)

	2008	2009	
Contributor	*Received*	*Pledged*	*Received*
Afghanistan	—	1 440.00	—
Albania	3 000.00	3 500.00	3 500.00
Algeria	10 000.00	10 000.00	10 000.00
Andorra	33 494.90	31 744.80	31 744.80
Antigua and Barbuda	5 000.00	5 000.00	5 000.00
Argentina	30 000.00	30 000.00	—
Armenia	5 000.00	5 000.00	5 000.00
Australia	9 517 000.00	7 821 600.00	7 821 600.00
Austria	1 030 055.00	421 940.93	—
Bangladesh	5 000.00	—	—
Belgium	2 539 594.30	6 476 500.00	—
Benin	—	1 500.00	1 500.00
Bhutan	1 480.00	1 480.00	1 480.00
Bosnia and Herzegovina	5 000.00	—	—
Botswana	5 000.00	—	—
Brazil	50 000.00	99 985.00	99 985.00
Bulgaria	10 000.00	15 000.00	—
Canada	39 037 522.76	31 850 960.00	8 704 281.57
Chile	100 000.00	20 000.00	20 000.00
China	500 000.00	500 000.00	500 000.00
Croatia	34 000.00	24 000.00	24 000.00
Czech Republic	153 874.56	154 710.00	—
Denmark	9 931 472.84	8 544 087.49	8 544 087.49
Ecuador	20 000.00	—	—
Egypt	15 000.00	15 000.00	15 000.00
Estonia	91 200.00	80 845.00	80 845.00
Finland	7 791 000.00	8 198 400.00	8 198 400.00
France	2 223 046.38	—	—
Germany	14 790 000.00	19 522 484.38	19 522 484.38
Ghana	—	10 000.00	—
Greece	300 000.00	500 000.00	500 000.00
Guatemala	10 000.00	—	—
Guyana	4 912.84	—	—
Hungary	20 000.00	54 088.00	54 088.00
Holy See[a]	5 000.00	5 000.00	—
Iceland	611 243.27	—	—

	2008	2009	
Contributor	*Received*	*Pledged*	*Received*
India	—	500 000.00	—
Indonesia	100 000.00	125 000.00	—
Ireland	33 301 074.00	25 906 000.00	12 802 974.00
Israel	15 000.00	15 000.00	15 000.00
Italy	2 935 400.00	1 358 868.00	1 358 868.00
Jamaica	—	5 000.00	5 000.00
Japan	2 169 083.18	1 000 000.00	1 000 000.00
Kazakhstan	50 000.00	50 000.00	50 000.00
Kenya	—	10 000.00	—
Republic of Korea	2 000 000.00	3 000 000.00	2 000 000.00
Kuwait	50 000.00	50 000.00	—
Lao People's Democratic Republic	—	3 000.00	3 000.00
Latvia	20 000.00	—	—
Liechtenstein	196 136.12	230 840.26	230 840.26
Lithuania	20 844.62	—	—
Luxembourg	6 190 400.00	5 181 200.00	—
Malaysia	100 000.00	100 000.00	—
Mexico	100 000.00	150 000.00	—
Monaco	139 313.48	129 530.00	—
Montenegro	2 500.00	4 975.00	4 975.00
Morocco	5 000.00	5 000.00	5 000.00
Mozambique	—	2 000.00	—
Myanmar	—	10 000.00	10 000.00
Namibia	—	1 000.00	1 000.00
Netherlands	63 900 000.00	55 668 000.00	55 668 000.00
New Zealand	1 000 000.00	1 000 000.00	1 000 000.00
Norway	55 258 765.36	42 734 982.73	42 734 982.73
Oman	—	30 000.00	30 000.00
Pakistan	20 000.00	15 000.00	15 000.00
Peru	10 000.00	—	—
Philippines	5 000.00	10 000.00	10 000.00
Poland	300 000.00	300 000.00	—
Portugal	312 400.00	263 020.00	263 020.00
Qatar	—	10 050 000.00	50 000.00
Saint Lucia	—	1 000.00	—
Samoa	—	2 000.00	—
San Marino	4 412.74	—	—
Saudi Arabia	100 000.00	150 000.00	150 000.00
Slovenia	50 000.00	50 000.00	—
South Africa	221 538.45	180 000.00	—

Contributor	2008	2009	
	Received	*Pledged*	*Received*
Spain	45 531 968.00	38 860 103.63	—
Sri Lanka	9 982.00	10 132.85	—
Sweden	56 264 400.17	49 367 572.36	49 367 572.36
Switzerland	7 241 824.57	4 657 370.02	4 657 370.02
Syrian Arab Republic	5 000.00	—	—
Thailand	20 000.00	—	—
The Former Yugoslav Republic of Macedonia	2 000.00	—	—
Timor-Leste	—	1 200.00	1 200.00
Trinidad and Tobago	20 000.00	20 000.00	—
Tunisia	5 000.00	—	—
Turkey	300 000.00	200 000.00	200 000.00
Tuvalu	—	1 000.00	1 000.00
United Arab Emirates	50 000.00	—	—
United Kingdom of Great Britain and Northern Ireland	80 239 000.00	61 444 000.00	14 780 000.00
United States of America	5 000 000.00	—	—
Viet Nam	—	10 000.00	—
Alexander Bodini	10 000.00	15 000.00	15 000.00
Disaster Resource Network	5 000.00	—	—
Humanity First USA	2 500.00	—	—
Private donations through United Nations Foundation[b]	718 201.00	156 030.00	156 030.00
SCOR Group	200 000.00	—	—
Abu Dhabi National Energy Company (TAQA)	—	150 000.00	150 000.00
The Estate of George Gary	—	10 408.05	10 408.05
Private donations outside the United Nations Foundation	3 514.92	—	—
Red Crescent Society of the United Arab Emirates	—	9 981.50	9 981.50
Total	**453 093 155.46**	**387 608 480.00**	**240 899 218.16**

Notes:

(1) Amounts received are recorded at the exchange rate in effect on the day the deposit is received and may differ from pledged due to fluctuations in exchange rates.

(2) Amounts stated do not constitute official United Nations financial records.

(3) At the date of preparation of the report, outstanding pledges from Canada, Mexico, Mozambique, the Republic of Korea and the United Kingdom had been honoured, but have not been included in the total as the contributions were received after 30 June 2009.

[a] The Holy See is an observer State.

[b] Includes contributions from Western Union and PriceWaterhouseCoopers.

Annex II

Total committed funds from the Central Emergency Response Fund, 1 January 2008 to 30 June 2009[a]

(United States dollars)

	2008			2009		
Country	*Rapid response*	*Underfunded*	*Total committed*	*Rapid response*	*Underfunded*	*Total committed*
Afghanistan	9 446 560.00	8 774 084.00	18 220 644.00	4 165 567.00	—	4 165 567.00
Angola	1 498 653.00	—	1 498 653.00	2 354 123.00	—	2 354 123.00
Bangladesh	1 000 000.00	—	1 000 000.00	—	—	—
Bolivia	2 271 874.00	—	2 271 874.00	—	—	—
Burkina Faso	2 000 293.00	3 399 999.00	5 400 292.00	1 650 443.00	1 997 535.00	3 647 978.00
Burundi	1 600 013.00	3 587 934.00	5 187 947.00	—	3 956 773.00	3 956 773.00
Cameroon	4 720 260.00	2 000 006.00	6 720 266.00	—	—	—
Comoros	534 037.00	—	534 037.00	—	—	—
Central African Republic	3 387 014.00	—	3 387 014.00	187 355.00	—	187 355.00
Chad	5 507 547.00	6 766 433.00	12 273 980.00	1 998 660.00	—	1 998 660.00
China	8 045 731.00	—	8 045 731.00	—	—	—
Colombia	1 838 333.00	—	1 838 333.00	3 135 341.00	4 999 979.00	8 135 320.00
Côte d'Ivoire	5 072 073.00	7 002 959.00	12 075 032.00	—	2 000 003.00	2 000 003.00
Cuba	7 367 516.00	—	7 367 516.00	—	—	—
Djibouti	5 580 667.00	—	5 580 667.00	—	1 996 905.00	1 996 905.00
Democratic People's Republic of Korea	1 398 170.00	1 999 884.00	3 398 054.00	—	9 999 909.00	9 999 909.00
Democratic Republic of the Congo	3 000 022.00	38 106 996.00	41 107 018.00	12 950 354.00	—	12 950 354.00
Eritrea	2 996 242.00	—	2 996 242.00	—	1 999 999.00	1 999 999.00
Ethiopia	21 876 887.00	9 651 153.00	31 528 040.00	—	9 666 134.00	9 666 134.00
Georgia	2 995 315.00	—	2 995 315.00	—	—	—
Guatemala	1 483 541.00	—	1 483 541.00	—	—	—
Guinea-Bissau	1 201 967.00	—	1 201 967.00	—	—	—
Guinea	3 999 178.00	—	3 999 178.00	1 450 000.00	—	1 450 000.00
Haiti	16 030 104.00	—	16 030 104.00	—	4 995 766.00	4 995 766.00
Honduras	1 501 344.00	—	1 501 344.00	—	—	—
India	3 010 825.00	—	3 010 825.00	—	—	—
Iraq	6 636 654.00	5 000 001.00	11 636 655.00	1 004 837.00	—	1 004 837.00
Jordan	3 543 119.00	—	3 543 119.00	—	—	—
Kenya	19 563 931.00	6 406 348.00	25 970 279.00	13 298 355.00	—	13 298 355.00
Kyrgyzstan	1 970 556.00	—	1 970 556.00	—	—	—

Country	2008			2009		
	Rapid response	*Underfunded*	*Total committed*	*Rapid response*	*Underfunded*	*Total committed*
Lao People's Democratic Republic	2 024 378.00	—	2 024 378.00	—	—	—
Lebanon	1 008 582.00	—	1 008 582.00	—	—	—
Lesotho	1 895 820.00	—	1 895 820.00	574 955.00	—	574 955.00
Liberia	1 900 000.00	—	1 900 000.00	—	—	—
Madagascar	6 490 800.00	—	6 490 800.00	6 450 994.00	—	6 450 994.00
Mali	—	3 198 972.00	3 198 972.00	—	—	—
Malawi	—	—	—	544 860.00	—	544 860.00
Mauritania	1 132 595.00	—	1 132 595.00	—	—	—
Mexico	—	—	—	—	—	—
Mozambique	4 839 160.00	—	4 839 160.00	547 001.00	—	547 001.00
Myanmar	26 417 370.00	2 019 979.00	28 437 349.00	—	2 998 439.00	2 998 439.00
Namibia	—	—	—	1 299 825.00	—	1 299 825.00
Nepal	6 643 120.00	5 997 698.00	12 640 818.00	—	—	—
Niger	3 754 643.00	6 499 999.00	10 254 642.00	1 426 230.00	3 976 342.00	5 402 572.00
Nigeria	—	—	—	1 279 887.00	—	1 279 887.00
Occupied Palestinian Territory	4 988 364.00	—	4 988 364.00	9 409 055.00	—	9 409 055.00
Pakistan	11 911 265.00	6 808 525.00	18 719 790.00	8 890 399.00	—	8 890 399.00
Philippines	2 080 292.00	—	2 080 292.00	—	—	—
Republic of the Congo	—	2 011 654.00	2 011 654.00	—	—	—
Somalia	11 721 943.00	—	11 721 943.00	—	9 999 999.00	9 999 999.00
Sri Lanka	8 501 410.00	3 995 382.00	12 496 792.00	21 250 277.00	—	21 250 277.00
Sudan	16 025 254.00	—	16 025 254.00	16 986 029.00	—	16 986 029.00
Syrian Arab Republic	6 966 175.00	624 741.00	7 590 916.00	—	—	—
Tajikistan	7 647 237.00	—	7 647 237.00	—	—	—
Togo	2 074 049.00	—	2 074 049.00	—	—	—
Uganda	5 681 929.00	—	5 681 929.00	1 191 321.00	—	1 191 321.00
United Republic of Tanzania	499 958.00	—	499 958.00	1 371 563.00	—	1 371 563.00
Yemen	8 206 847.00	—	8 206 847.00	—	4 705 281.00	4 705 281.00
Zimbabwe	6 988 475.00	4 493 657.48	11 482 132.48	7 899 348.00	9 982 000.00	17 881 348.00
Total	**300 478 092.00**	**128 346 404.48**	**428 824 496.48**	**121 316 779.00**	**73 275 064.00**	**194 591 843.00**

Note: Committed funds reflect project amounts approved by the Emergency Relief Coordinator and do not reflect actual certified financial values.

[a] Funding approved by the Emergency Relief Coordinator.

Annex III

Central Emergency Response Fund Loans, 1 January 2008 to 30 June 2009

(United States dollars)

Agency	*Country*	*Amount*
WFP	Democratic Republic of the Congo	3 750 000.00
WFP	Ethiopia	26 250 000.00
Total		**30 000 000.00**

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Item 72 (a) of the provisional agenda**
Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: strengthening of the coordination of emergency humanitarian assistance of the United Nations

Central Emergency Response Fund

Report of the Secretary-General

Summary

The present report on the Central Emergency Response Fund is submitted pursuant to General Assembly resolution 63/139 of 11 December 2008 and covers activities from 1 July 2008 to 30 June 2009. Within the reporting period, the Emergency Relief Coordinator allocated $374.3 million from the Fund to implement life-saving activities in 50 countries/territories. Fourteen humanitarian agencies received funds directly from the Fund to address emergency needs and many projects were carried out in partnership with non-governmental organizations. The Fund has strengthened its operations and has continued its role as a critical component of humanitarian response. To maintain and improve the effectiveness of the Fund, increased political and financial support is required from Member States, particularly in the light of the negative effects of the global economic crisis and other global trends.

* Reissued for technical reasons.
** A/64/150.

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I. Introduction

1. The preset report is submitted pursuant to General Assembly resolution 63/139 of 11 December 2008, in which the Assembly requested the Secretary-General to submit to it a detailed report on the use of the Central Emergency Response Fund. The report covers activities from 1 July 2008 to 30 June 2009.

II. Overview of the Fund

Funding commitments[1]

2. Building on three years of operations, the Central Emergency Response Fund continued to enable prompt, life-saving action and to support inadequately funded, essential humanitarian response activities. During the reporting period, the Emergency Relief Coordinator, as Fund Manager,[2] approved grants totalling US$ 374.3 million for United Nations specialized agencies, funds and programmes and the International Organization for Migration (IOM)[3] to support relief operations in 50 countries/territories. This amount was made up of grants totalling $274.5 million through the rapid response window and $99.8 million through the underfunded window. Table 1 provides an overview of grants allocated during the reporting period.

Table 1
Central Emergency Response Fund allocations[a] (1 July 2008-30 June 2009)[b]

	Total grant allocations
Amount approved	$374.3 million
Number of recipient countries/territories	50
Number of projects funded	475
Average project amount	$788 000

[a] For the purposes of the present report, "allocations" refer to fund amounts allotted to specific countries/territories or regions by the Emergency Relief Coordinator.

[b] Financial figures reflect project amounts approved by the Emergency Relief Coordinator and do not reflect actual United Nations certified financial values.

3. Funding through the rapid response window was aimed at jump-starting humanitarian response efforts to address crises as efficiently and effectively as possible. A breakdown of rapid response grants shows that projects in response to protracted conflict-related emergencies (including support services for refugees and internally displaced persons) received the highest total allocations at $113.9 million, while natural disaster-related allocations totalled $84.2 million. Funding allocated specifically to respond to life-saving needs in the light of the global food crisis amounted to $72.4 million.

[1] Financial figures reflect funds approved by the Emergency Relief Coordinator as at 30 June 2009 and do not reflect actual United Nations certified financial values.

[2] See General Assembly resolutions 60/124 and 46/182.

[3] Collectively referred to as "agencies" or "humanitarian agencies" in the present report.

4. The $84.2 million allocated to rapid response projects related to natural disasters during the reporting period was significantly less than the approximately $124 million committed in the previous reporting cycle (July 2007-June 2008). This was at least partially due to the occurrence of fewer large-scale natural disasters in the period under review. In addition, allocations categorized as responding to the global food crisis may have captured some grants that previously could have been categorized as being for natural disasters.[4] Of the amount allocated, approximately $57 million was in response to needs resulting from floods, droughts or hurricanes. Funding for programmes to combat outbreaks of disease, such as the cholera epidemic in Zimbabwe early in 2009, accounted for approximately $16.9 million, up from $10.6 million in the previous reporting period. Earthquake-related allocations were reduced significantly, from over $15 million in the previous reporting period to less than $2 million. Another $2.6 million in rapid-response grant allocations was approved to respond to pest outbreaks, such as locust infestations. Table 2 provides a breakdown of funding provided from the Central Emergency Response Fund in response to natural disasters, per calendar year, since the inception of the grant element in 2006.

Table 2
Central Emergency Response Fund rapid-response funding in response to natural disasters
(millions of United States dollars)[a]

	15 March 2006 to 30 June 2006	*1 July 2006 to 30 June 2007*	*1 July 2007 to 30 June 2008*	*1 July 2008 to 30 June 2009*	*Total (by type of disaster)*
Floods/droughts/hurricanes/ cyclones	14.3	90.1	93.7[b]	57.0[b]	**255.1**[c]
Disease	1.2	16.7	10.6	16.9	**45.4**
Earthquakes	—	0.7	15.3	2.0	**18**
Pest outbreaks	—	1.3	2.0	2.6	**5.9**
Heat/cold wave	—	—	2.4	5.7	**8.1**
Total	**15.5**	**108.8**	**124**	**84.2**	**332.5**

[a] Financial figures reflect project amounts approved by the Emergency Relief Coordinator and do not reflect actual United Nations certified financial values.
[b] This does not include funding allocated to drought-affected countries in 2008 through the Central Emergency Response Fund reserve for the global food crisis.
[c] Some $89.8 million of this total was allocated in response to droughts.

5. In May 2008, demonstrating the flexibility of the Fund as a tool to address global challenges in a rapid manner, the Emergency Relief Coordinator established a reserve of $100 million from existing rapid-response resources to cover needs stemming from the global food crisis. The $72.4 million which was allocated from this reserve through the rapid response window was in response to requests for some $255.5 million in 2008 by resident/humanitarian coordinators in 30 countries to address emergency needs resulting from the food crisis. By the end of 2008,

[4] Natural disasters, such as drought, were one of many factors contributing to the global food crisis.

humanitarian agencies operating in 26 countries had received allocations to support 87 projects in eight different clusters/sectors to ensure a comprehensive, multi-sector response. The three largest recipients of funds from the reserve were the World Food Programme (WFP) (some $50 million), the Food and Agriculture Organization of the United Nations (FAO) (some $20 million) and the United Nations Children's Fund (UNICEF) (some $20 million). In total, nearly 18 million people affected by rising food prices and shrinking safety nets benefited from these funds from the reserve. In 2009, grant requests related to the ongoing food crisis have been reviewed on a rolling basis, given that the Emergency Relief Coordinator did not set aside another specific reserve. Numerous project proposals in 2009, particularly through the underfunded window, have included reference to the ongoing needs stemming from the food crisis.

6. During the reporting cycle, the Emergency Relief Coordinator allocated $99.8 million to 19 countries through the underfunded window in order to strengthen key elements of humanitarian response in crises that had attracted insufficient donor support. The Emergency Relief Coordinator makes funds available from the underfunded window in semi-annual rounds. Allocation decisions are based on a wide range of data and consultation processes to determine which countries would most benefit, due emphasis being placed on humanitarian needs and principles. Within the selected countries, the resident/humanitarian coordinator leads an inter-agency process to prioritize needs and propose projects to be funded through the Central Emergency Response Fund. Typically, the Emergency Relief Coordinator, in consultation with the resident coordinator and agencies at the country level, aims to commit a larger proportion of the underfunded allocations in the first annual round. Having the funds at the beginning of the year enables country-level partners to plan the use of their resources better. The second round, which is typically smaller, is aimed at addressing remaining unmet needs midway through the year. For example, in 2008, $101.7 million was allocated in the first underfunded round, while $26.6 million was allocated in the second round. In 2009, $75 million was allocated to the first round and $55 million has gone towards the second.

7. As recommended in the two-year evaluation of the Central Emergency Response Fund, the Fund secretariat, together with humanitarian agency partners, is currently carrying out a review of the underfunded window processes, which will result in updated guidelines for allocating funds and improvements in the management of the allocation process. These guidelines will be fully implemented for the 2010 underfunded rounds.

8. The loan element of the Fund, which was its original element, is available as a cash flow mechanism when funds expected from donors have not yet been received. However, during the reporting cycle, no formal requests for loans were submitted. Disbursements were made for two loans, totalling $30 million, for WFP projects in Ethiopia and the Democratic Republic of the Congo which had been approved prior to the reporting period.[5] Both loans were reimbursed in full during the reporting period. The Office for the Coordination of Humanitarian Affairs is considering how to utilize the Central Emergency Response Fund loan element in conjunction with country-based pooled funds, particularly emergency response funds; the goal would

[5] These loans were included in the previous report (A/63/348).

be to ensure sufficient cash flow at the onset of an emergency for small, localized initiatives in countries where such funds exist.

III. Key results based on objectives

9. In line with the humanitarian reform aim of ensuring that emergency response is more timely and predictable, the Central Emergency Response Fund has three primary objectives: promoting early action and response to reduce loss of life, enhancing response to time-critical requirements, and strengthening core elements of humanitarian response in underfunded crises (see resolution 60/124, para. 15). In line with these objectives, emergency operations of 14 humanitarian agencies working in 11 clusters/sectors were funded by the Central Emergency Response Fund (see figs. I and II below). These agencies worked with numerous humanitarian partners, including Governments and national and international non-governmental organizations, to carry out critical projects aimed at addressing life-saving needs. Examples of action of the Fund with regard to each of its three primary objectives are provided below.

A. Promoting early action and response

10. Through the Fund, agencies have the means to start or scale up operations to promote early action and improve overall humanitarian response. UNICEF, one of the largest recipients of funds from the Central Emergency Response Fund, received $94.9 million during the reporting cycle to carry out essential response activities in a number of clusters/sectors, including water and sanitation, health and nutrition, education and child protection. The Fund continues to work well in conjunction with the UNICEF internal loan facility, the Emergency Programme Fund, which allows disbursement within 24 hours. As one example, in November 2008, the humanitarian country team in Sri Lanka requested funding from the Central Emergency Response Fund for urgently required assistance focused on internally displaced persons in the north of the country. UNICEF received approximately $1.2 million to help ensure a coordinated response and address the needs of the most vulnerable, working closely with other humanitarian partners. UNICEF activities included the provision of hygiene kits to nearly 8,000 families and the improvement of drinking water and sanitation facilities in nine camps for internally displaced persons. In addition, enough temporary learning shelters and child friendly spaces were constructed to serve at least 1,800 children and to provide access to basic nutrition services, including management of acute malnutrition in children under 5 years of age and pregnant and lactating women in targeted areas. UNICEF reported that it had reached over 60,000 beneficiaries in Sri Lanka in 2008 through activities funded from the Central Emergency Response Fund, coupled with other funding. In 2009, as the humanitarian situation in Sri Lanka rapidly deteriorated, UNICEF received a further $6.1 million, out of a total $21 million allocated to Sri Lanka through the rapid response window in 2009, to carry out 10 projects supporting the affected populations.

11. The humanitarian situation of Nepal, one of the most vulnerable countries in the Asian and Pacific region, deteriorated in October 2008 when conflict, displacement and chronic poverty were exacerbated by rising food insecurity and

severe flooding. The United Nations Population Fund (UNFPA) intervened in the acute emergency phase to provide essential reproductive health services, gender-based violence screening and HIV/AIDS awareness for internally displaced persons and refugees in the flood-affected areas. In addition to establishing a mobile clinic, UNFPA distributed reproductive health equipment, drugs and supplies, as well as hygiene kits. Approximately 5,000 individuals, 70 per cent of them women, received medical and reproductive health services and gender-based violence counselling. Activities provided under projects funded from the Central Emergency Response Fund were supplemented by UNFPA core resources and programmes. All relief activities were guided by the Inter-Agency Standing Committee's gender handbook and guidelines on gender-based violence interventions in humanitarian settings.

12. WFP received support through the rapid response window to respond to flooding and landslides in Central America in 2008 that left thousands displaced and vulnerable to malnutrition and disease. Through the use of approximately $600,000 from the Central Emergency Response Fund, WFP provided 721 metric tons of food commodities to meet the immediate food needs of 34,000 flood-affected people in Guatemala. Further, working with implementing partners in Honduras, WFP reached 100 per cent of the beneficiaries targeted (40,150 people), thus averting increased rates of acute malnutrition among the flood-affected population.

13. In August 2008, an influx of Somali refugees into the eastern part of Ethiopia strained that country's ability to provide safe refuge. The Office of the United Nations High Commissioner for Refugees (UNHCR) received $1.5 million from the Fund to address vital needs of newly arriving refugees, including support to open two new camps (Aw Barre and Shedder). Approximately 1,700 new shelters were constructed and, since most refugees had crossed the border without any belongings, plastic sheeting, kitchen sets, soap, sanitary napkins, cooking stoves and fuel, blankets, nets and jerrycans were distributed. The provision of fuel-saving stoves had a special impact on the lives of women and girls, as they no longer had to travel outside of the camp to collect firewood, which previously had exposed them to harmful situations, such as sexual and gender-based violence.

14. To save the lives of those affected by the earthquake and offer them support during the harsh winter in Balochistan, Pakistan, the United Nations Human Settlements Programme (UN-Habitat) designed and distributed an emergency transitional winter shelter before the first heavy snowfall of the season arrived. The shelter was adapted on the basis of feedback from beneficiary communities, Government authorities and cluster members. Locally procured resources were used, which contributed to stimulating the local economy. The shelters helped prevent massive migration, as they allowed displaced families to remain relatively close to their homes. UN-Habitat reports that the project, funded with a rapid response Central Emergency Response Fund grant of $886,923, played a catalytic role and had a multiplier effect in leveraging additional funds to expand coverage. Based on this response, the shelter has become a model winter shelter and UN-Habitat has been asked by the Government of Pakistan to assist with more permanent housing solutions for affected communities.

15. In May 2009, as the humanitarian situation in Pakistan quickly deteriorated because of increased violence, the Central Emergency Response Fund approved funding through the rapid response window to respond to the growing crisis of the internally displaced. Within this allocation, WFP received $2.7 million to provide

urgently needed food assistance to internally displaced persons living inside and outside of camps in the North-West Frontier Province. With that funding, complemented by funding from other sources, WFP aimed to provide essential food assistance to internally displaced persons in eight districts where over 600,000 internally displaced persons were located.

16. During the reporting period, UNDP received a total of $4.5 million to address life-saving needs in a number of clusters/sectors, including: agriculture/livelihoods, water and sanitation, shelter and non-food items and critical infrastructure repair. In Cameroon and Sri Lanka, for example, UNDP received Fund resources that made the prompt strengthening of the United Nations security management structure in the country possible, thus enabling the safe delivery of essential humanitarian assistance to severely affected populations.

B. Enhancing response to time-critical requirements

17. The Central Emergency Response Fund can be an essential funding tool not only in the case of sudden disasters, but also in situations where a time-critical response can prevent a crisis from escalating into a full-fledged disaster, thereby reducing its overall cost and impact in the longer term. In April 2009, the Fund committed, in its first regional allocation, time-critical funding to FAO to respond to an infestation of red locusts in Malawi, Mozambique and the United Republic of Tanzania. The infestation could potentially have affected the livelihoods of more than 15 million people in central, eastern, and southern Africa. With the support of a rapid-response grant of $1.9 million, FAO was able to mobilize quickly and, within one month, had already treated nearly 14,000 hectares, mostly using environmentally friendly bio-pesticide, to ensure containment of the locust infestation. Major swarm escapes and invasions of cropping areas were averted. The project also relied on close collaboration with other humanitarian partners, including non-governmental organizations in the region.

18. Central Emergency Response Fund financing often serves to fill gaps in financing or jump-start projects that require immediate support in a limited, critical period. This was the case in Niger when an outbreak of meningitis was declared in June 2008. Central Emergency Response Fund funding to the World Health Organization (WHO) was combined with support from national authorities and international non-governmental organizations to supply vaccines and carry out a vital vaccination campaign in 10 districts. In the Birnin Konni district, the campaign resulted in 80 per cent coverage of the population in only three weeks, causing the number of meningitis cases to decrease significantly and helping contain the outbreak. Overall, through the coordinated efforts of WHO, the Government and non-governmental organizations, nearly 800,000 people were vaccinated and 2,262 people were treated for meningitis.

19. Speed of Central Emergency Response Fund response continues to be a priority. During the reporting period, rapid-response grant requests required an average of three days from final submission to approval by the Emergency Relief Coordinator. In sudden onset crises, the processing time for the approval of grants can be even further reduced. For example, early in 2009, during the crisis in Gaza, the Emergency Relief Coordinator approved five rapid-response projects, totalling approximately $7 million, on the same day the requests were submitted to the Fund

secretariat. Up to 200,000 people affected by fighting directly benefited from the projects funded from the Central Emergency Response Fund, which included support for safe drinking water, emergency shelter and fuel, and ready-made meals. In Sri Lanka, the humanitarian country team made two separate project requests in February and May 2009 to support critical emergency response activities in conflict-affected areas of the country. It took one day for the Emergency Relief Coordinator to approve these requests, for a combined total of over $21 million.

C. Strengthening core elements of humanitarian response in underfunded crises

20. The third objective of the Fund, strengthening response for underfunded crises, involves providing support for relief activities in countries that, despite significant humanitarian needs, have not received adequate attention from the donor community. Allocations made through the underfunded window also promote greater predictability and equity in humanitarian financing, often enabling the continuation of critical but chronically under-supported aspects of an emergency response, increasing coverage and strengthening humanitarian coordination. In 2008, 11 of the 20 countries receiving funds through the underfunded window participated in the consolidated appeals process. Allocations through the underfunded rounds can ensure more equitable funding of consolidated appeals, including for underfunded clusters/sectors. In 2008, the clusters/sectors receiving the largest share of funds through the underfunded rounds were health and nutrition (24 per cent), food (20 per cent), shelter/non-food items (14 per cent) and water and sanitation (13 per cent).

21. In 2008, the humanitarian crisis in Zimbabwe worsened as poor water supply, sanitation and hygiene led to outbreaks of diarrhoea and cholera. By early 2008, there were more than 10,000 cases of diarrhoea and more than 120 cases of cholera; yet the humanitarian community had insufficient resources to respond to growing emergency needs. The Emergency Relief Coordinator selected Zimbabwe for a grant through the underfunded window. IOM received support from the Fund in March for projects in multiple clusters/sectors. In the health and water and sanitation clusters/sectors, IOM, along with a number of non-governmental organizations, coordinated activities for some 32,000 beneficiaries affected by cholera and diarrhoea. With additional funding received from the Fund in April 2009, under-supported activities, including training of community health volunteers and health staff, improving cross-border disease surveillance, prevention and case management, could be maintained or started. The construction of temporary pit latrines and the rehabilitation of water points at border areas and in communities of mobile and vulnerable populations were carried out. In the education sector, IOM increased access to quality education for approximately 19,000 children in such communities.

22. Chronic shortcomings in the humanitarian response to the crisis in Afghanistan led the Emergency Relief Coordinator to allocate grants totalling $8.8 million to humanitarian agencies through the underfunded window in 2008. These grants responded to the needs of approximately 160,000 internally displaced persons and returning refugees suffering from drought and harsh weather conditions. Assessments found that some 1.15 million people were at risk of drinking water shortages, malnutrition and displacement, while the 2008 Afghanistan Joint Emergency Appeal remained significantly underfunded at only 49 per cent coverage.

IV. Administration and management of the Central Emergency Response Fund

A. The Central Emergency Response Fund secretariat

23. The Emergency Relief Coordinator's role as fund manager is supported by the Central Emergency Response Fund secretariat, which is situated within the Office for the Coordination of Humanitarian Affairs (see ST/SGB/2006/10). The secretariat's duties include reviewing and processing funding proposals, developing and providing policy guidance, consulting closely with agencies and partners, coordinating inter-agency processes, carrying out public information and reporting functions, supporting resident/humanitarian coordinators in accessing funds from the Central Emergency Response Fund, supporting the Central Emergency Response Fund Advisory Group, and managing the Fund's database and website. In order to carry out these functions, and at the recommendation of the Advisory Group, the secretariat has increased in size and capacity, now having 23 posts, including three seconded staff, one each from UNHCR, WFP and FAO. This has brought about notable improvements in the speed and effectiveness of the Fund, particularly in terms of processing grant requests, supporting country-level processes and improved reporting, information-sharing and communication. For example, the Fund secretariat enhanced its process for reviewing all annual narrative reports on projects funded from the Central Emergency Response Fund carried out in 2008, to ensure better tracking of progress on real achievements versus expected results as outlined in project proposals.

24. To facilitate quality and accountability standards, the secretariat provides training, guidance and support to various stakeholders on how to access and report on funds provided from the Central Emergency Response Fund. Training is offered to agency partners and non-governmental organizations at the regional and field levels. Regular training for humanitarian partners has improved the speed and quality of the proposals and reports submitted to the Fund and helped improve its overall efficiency and effectiveness. During the reporting cycle, approximately 470 United Nations, IOM, national and international non-governmental organization, Red Cross Movement and Government representatives at the field, regional and headquarters levels participated in 11 Central Emergency Response Fund workshops. Eight workshops were held at the regional level, two at the headquarters level and one at the country level. Approximately 15 per cent of the participants were from non-governmental organizations. Sessions on humanitarian financing and the Central Emergency Response Fund were carried out for all humanitarian coordinators and included in regional resident coordinators' workshops.

25. In order to promote accessibility, transparency and accountability, the Central Emergency Response Fund secretariat maintains a website (http://cerf.un.org) providing up-to-date information on how to apply for funding, current and previous Central Emergency Response Fund allocations and reports from resident/humanitarian coordinators on all projects funded by the Central Emergency Response Fund. The secretariat has made a practice of posting all relevant documentation online in a timely manner, including notes from Advisory Group meetings and information for contributors to the Fund. In 2009, the secretariat has also developed a communications strategy with the aim of explaining and promoting better the work of the Fund to further allow information to be shared transparently with stakeholders.

B. The Central Emergency Response Fund Advisory Group

26. Pursuant to General Assembly resolution 60/124, independent experts serve as members of the Advisory Group, to provide policy advice and guidance to the Secretary-General, through the Emergency Relief Coordinator, on the use and impact of the Fund. The Advisory Group met twice during the reporting period including, for the first time, holding a meeting with the United Nations Controller. Also for the first time, one third of the members rotated out of the Advisory Group and the appointment of new members was announced by the Secretary-General. During the Advisory Group meeting in April 2009, the members expressed satisfaction that the $450 million funding target for the Central Emergency Response Fund set by the General Assembly had been exceeded in 2008. They noted that, because of the global economic crisis, 2009 might be a challenging year, and called upon Member States to make every effort to increase their political and financial support of the Fund. The Advisory Group also attached great importance to progress made regarding the recommendations resulting from the two-year evaluation of the Fund, and the development of a performance and accountability framework to ensure accountability and demonstrate the value added of the Fund.

27. At the meeting of the Advisory Group in April 2009, members of the Group pressed for urgent improvements in the funding relationship between United Nations agencies and non-governmental organizations. They requested the Emergency Relief Coordinator to put that issue on the agenda of the Inter-Agency Standing Committee, since it could not be resolved by the Advisory Group itself. In response, the Emergency Relief Coordinator communicated to Inter-Agency Standing Committee principals in May 2009 the suggestion that the Inter-Agency Standing Committee Working Group take up that issue.

C. Inter-agency consultations

28. Consultations with agencies regarding the Fund continue to take place regularly through Inter-Agency Standing Committee structures, as well as at the working level through the Central Emergency Response Fund inter-agency group and the Central Emergency Response Fund partnership task force. Twenty-five inter-agency meetings were held during the reporting period, allowing for discussions on both operational and policy issues, including the preparation of the management response matrix for the recommendations resulting from the two-year evaluation, and the preparation of the present report. The Central Emergency Response Fund partnership task force continued to meet to discuss issues relating to arrangements for funds sub-granted from agencies to non-governmental organizations, and to prepare background materials for two Inter-Agency Standing Committee Working Group sessions on humanitarian financing and partnership issues in November 2008 and July 2009.

29. During the first half of 2009, inter-agency discussions focused on a possible reconfiguration of the consultation architecture. The Central Emergency Response Fund inter-agency group, having worked through a number of the key operational and policy issues, has gradually become more of an information-sharing forum. The partnership task force served as a useful platform for dialogue and information-sharing, resulting, for example, in the preparation of a set of targeted recommendations and a mapping of United Nations/IOM partnership frameworks.

However, its mandate prevented it from moving forward, given the technical nature of partnership/contractual issues and the fact that those issues are not specific to the Fund.

30. The Fund secretariat therefore led a process aimed at reviewing the issues that required sustained attention and rationalizing the number of bodies and meetings. One relevant factor was the establishment in late 2008 of the Funding Coordination Section within the Office for the Coordination of Humanitarian Affairs to support country-based pooled funds. This created a new opportunity to engage Inter-Agency Standing Committee organizations at the headquarters level on issues relating to country-based pooled funds as well as to the Central Emergency Response Fund.

31. In consultation with agency and non-governmental organization partners, a proposal was put forward to the Inter-Agency Standing Committee Working Group in June 2009 to create an Inter-Agency Standing Committee group on humanitarian financing, which would consider both the Central Emergency Response Fund and country-based pooled funds, with the overall aim of leading to a more coherent and integrated system. This would help limit the consultation architecture and ensure that inter-agency discussions on key issues take place with the right profile of representation.

D. Improvements in the Central Emergency Response Fund operational framework, including progress on the recommendations resulting from the two-year evaluation

32. In his previous report (A/63/348), the Secretary-General detailed key findings and recommendations of the General Assembly-mandated independent review of the Fund at the end of its second year of operation. He did not include a response to the 37 strategic and operational recommendations made, since the final evaluation report was officially circulated only in September 2008. The Fund secretariat prepared a management response matrix in November 2008 in consultation with United Nations agencies, IOM, non-governmental organizations and the office of the United Nations Controller. The matrix serves as a road map for the work that needs to be completed before the next evaluation of the Fund in 2011. It details the response and action to be taken for each recommendation, and is updated and shared with Member States, the Central Emergency Response Fund Advisory Group and organizations of the Inter-Agency Standing Committee on a semi-annual basis. The most recent update of the matrix was completed and circulated in April 2009.

33. Of the recommendations made, 22 have been accepted, 8 partially accepted, 1 rejected and 6 are pending. Implementation of a number of the recommendations is under review and discussion within the United Nations Secretariat. Other recommendations relating to United Nations/IOM-non-governmental organization funding/contractual arrangements require the attention of the Inter-Agency Standing Committee Working Group or other forums for implementation. The Emergency Relief Coordinator has asked the Inter-Agency Standing Committee principals to work together to address long-standing partnership issues, particularly those highlighted by the Central Emergency Response Fund evaluation, adopting a more comprehensive agency-wide approach.

34. Discussions around the management response matrix provide an opportunity to continue to strengthen the operational framework of the Fund and to address

remaining challenges. The Fund secretariat is leading an inter-agency process aimed at revising the Secretary-General's Bulletin on the establishment and operation of the Central Emergency Response Fund (ST/SGB/2006/10), in order to take into account findings from the evaluation, as well as experience gained after three years of the Fund's operation. The changes to the bulletin will focus on refining the operational guidance on the use, management and administration of the Fund, including clarification of the role of the Emergency Relief Coordinator; the definition of the implementation period and the time frame for the delivery of goods and services; the field-driven nature of the application process and the central role played by resident/humanitarian coordinators in establishing priorities for funding; loan procedures; and oversight, accountability and reporting requirements. Consultations with the agencies and the Office of Programme Planning, Budget and Accounts of the Department of Management began in May 2009. The revised bulletin is expected to enter into force by the end of 2009.

35. A revised bulletin is a prerequisite to moving forward on an umbrella letter of understanding, the development of which is being undertaken in parallel to the revision of the bulletin. This umbrella agreement is aimed at improving the timeliness of funding from the Central Emergency Response Fund by streamlining the administrative steps in the disbursement of grants. An umbrella letter of understanding would consist of a standard agreement between the Emergency Relief Coordinator and each eligible recipient, eliminating project-specific letters of understanding except in certain circumstances. Discussions on the agreement are continuing and a number of issues related to financial reporting and accountability will be finalized in the coming months. The umbrella letter of understanding is expected to be in use by early 2010.

36. A number of performance measures and accountability tools (such as the Fund's website, database and reporting framework) that have been put into place since the inception of the grant element of the Fund need to be integrated into a comprehensive framework. In line with recommendations resulting from the evaluation, the process for the development of a performance and accountability framework is under way. An initial proposal was submitted to the Central Emergency Response Fund Advisory Group in April 2009 and was refined following feedback from it. The framework will map out the responsibilities of the multiplicity of stakeholders in the accountability and performance of the Fund, such as the Emergency Relief Coordinator, the United Nations Controller, the Office for the Coordination of Humanitarian Affairs, the Central Emergency Response Fund secretariat, the Central Emergency Response Fund Advisory Group, the General Assembly and Member States, the Inter-Agency Standing Committee organizations, resident/humanitarian coordinators and United Nations country teams. It will outline accountability tools for the use and management of resources, as well as measures to assess the Fund's performance against the three objectives set out in General Assembly resolution 60/124, which established the grant element. The framework will be in place by the end of 2009.

37. The Fund's secretariat, in consultation with agency partners and the global cluster leads, is in the process of revising the guidelines on life-saving criteria with the overall aim of clarifying the types of humanitarian activity that fall within the Fund's mandate, a process that will be finalized by the end of 2009. The revision will promote better targeting of funds from the Central Emergency Response Fund, based on clearer prioritization of needs.

V. Trends and analysis

A. Regional funding

38. During the reporting period, sub-Saharan Africa received the highest percentage of funding (57.4 per cent), followed by Asia and the Caucasus (26.1 per cent), Latin America and the Caribbean (9.0 per cent) and the Middle East (7.5 per cent). Within sub-Saharan Africa, some $100 million was allocated to crises in East Africa and the Horn of Africa, approximately one fourth of all grants allocated by the Central Emergency Response Fund. Table 3 illustrates grant requests and approvals at the regional and subregional levels. Allocations (including rapid-response and underfunded grants) for natural disasters were fairly evenly distributed along regional lines: Latin America and the Caribbean ($28.7 million), Asia ($24.7 million) and Africa ($32.9 million).[6]

Table 3
Central Emergency Response Fund grant allocations by region and subregion (1 July 2008-30 June 2009)[a]

	Grants requested (millions of United States dollars)	*Grants approved (millions of United States dollars)*	*Approval (as a percentage of total allocations)*
Africa	**285.0**	**215.0**	**57.4**
East Africa and Horn of Africa	123.3	100.1	26.7
Great Lakes and Central Africa	59.4	43.9	11.7
Southern Africa	46.1	39.8	10.6
West Africa	56.1	31.1	8.3
Asia and the Caucasus	**112.0**	**97.5**	**26.1**
Caucasus	3.0	3.0	0.8
East Asia	14.0	13.4	3.6
South Asia	68.9	57.3	15.3
South-East Asia	13.0	11.1	3.0
South-West (Central) Asia	13.2	12.7	3.4
Caribbean and Latin America	**39.9**	**33.7**	**9.0**
Caribbean	23.8	22.5	6.0
Central America	6.3	3.0	0.8
South America	9.8	8.1	2.2
Middle East	**29.7**	**28.2**	**7.5**
Total	**466.6**	**374.3**	**100**

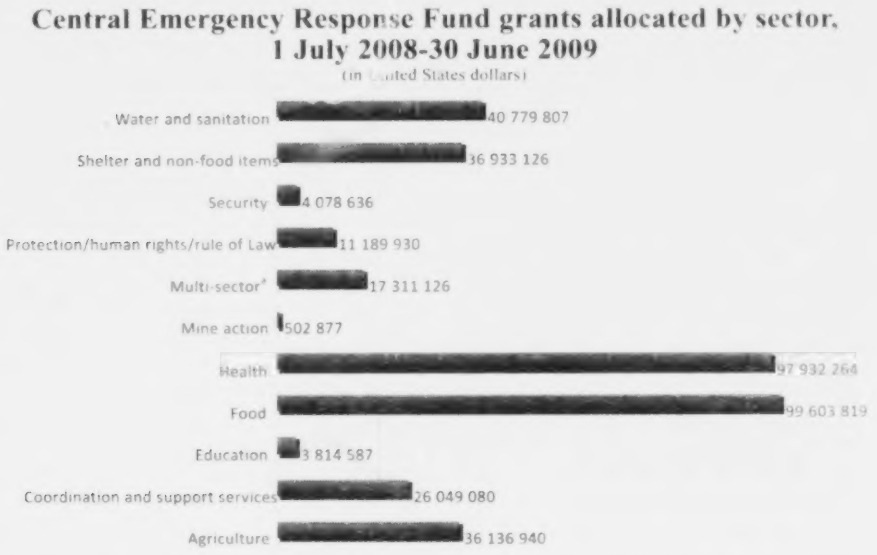
[a] Financial figures reflect project amounts approved by the Emergency Relief Coordinator and do not reflect actual United Nations certified financial values.

[6] Allocations to the Middle East for natural disasters totalled approximately $5 million.

B. Funding of clusters/sectors

39. The Central Emergency Response Fund committed funding towards 11 clusters/sectors during the reporting period (see fig. I). As in previous years, the food ($99.6 million, 26.6 per cent) and health and nutrition ($97.9 million, 26.2 per cent) clusters/sectors continued to receive the highest amount of funding from the Fund, followed by water and sanitation ($40.8 million, 10.9 per cent). Nearly 10 per cent of funding was allocated to the agricultural sector during the reporting period, an increase compared with previous reporting periods that illustrates the importance of critical support to small holder livelihoods. The Fund also endeavours to support underfunded sectors that are increasingly recognized as essential aspects of humanitarian response efforts, including emergency education and protection/human rights/rule of law. While the total amounts allocated to these clusters/sectors are often significantly smaller than for other clusters/sectors, supporting them is critical to ensuring a more effective response overall.

Figure I
Central Emergency Response Fund grant allocations by clusters/sectors



Note. Financial figures reflect project amounts approved by the Emergency Relief Coordinator and do not reflect actual United Nations certified financial values.

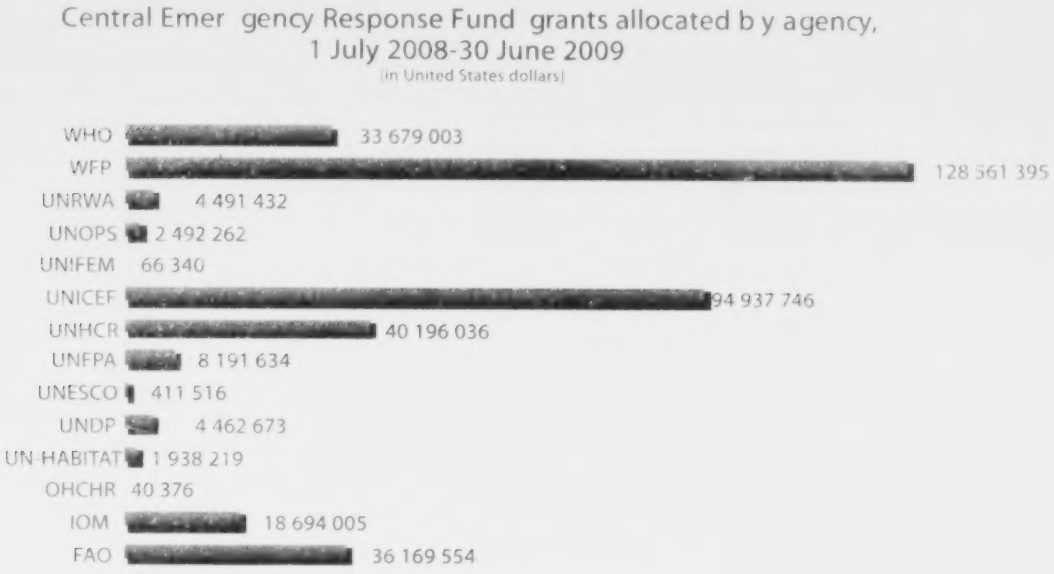
[a] Multi-sector largely constitutes funding for refugee assistance programmes.

C. Agency funding

40. Fourteen humanitarian agencies received direct support for emergency activities in the reporting period. Two agencies, the Office of the United Nations High Commissioner for Human Rights (OHCHR) and UN-Habitat received Central Emergency Response Fund allocations for the first time. As in previous cycles, the three agencies receiving the largest amounts of support were WFP ($128.6 million),

UNICEF ($94.9 million) and UNHCR ($40.2 million). Projects carried out by these agencies span a number of clusters/sectors, including food assistance, education, health and nutrition, shelter and non-food items, and water and sanitation.

Figure II
Central Emergency Response Fund grant allocations by agency


Central Emergency Response Fund grants allocated by agency, 1 July 2008-30 June 2009
(in United States dollars)
WHO 33 679 003
WFP 128 561 395
UNRWA 4 491 432
UNOPS 2 492 262
UNIFEM 66 340
UNICEF 94 937 746
UNHCR 40 196 036
UNFPA 8 191 634
UNESCO 411 516
UNDP 4 462 673
UN-HABITAT 1 938 219
OHCHR 40 376
IOM 18 694 005
FAO 36 169 554

Note: Financial figures reflect project amounts approved by the Emergency Relief Coordinator and do not reflect actual United Nations certified financial values.

D. Further observations

41. With commitments of approximately $25 million, the Central Emergency Response Fund has emerged as a particularly important and effective tool for jump-starting critical common humanitarian services for relief operations, such as humanitarian air services, logistics and security services for humanitarian partners. Efficient common humanitarian services can significantly affect how agencies go about their work and are an essential component of providing emergency assistance. In the Central African Republic, for example, funds from the Central Emergency Response Fund for the United Nations Humanitarian Air Service allowed staff from 40 humanitarian organizations to reach isolated regions across the country and deliver over 18 tons of critical cargo during three months of Central Emergency Response Fund support. The Fund secretariat, in consultation with WFP, which operates the United Nations Humanitarian Air Service, is currently finalizing guidelines on future use of the Fund to finance the activities of the Service, to ensure that the Fund is not seen as a source of continuing funding.

42. In 2008,[7] the Central Emergency Response Fund provided funding in response to all 12 flash appeals. Some 73 per cent of the amount allocated was approved before or within two weeks of the appeal launch (see table 4). In 2006 and 2007, funding from the Central Emergency Response Fund covered, on average, approximately 17.5 per cent of requirements included in the flash appeals. In 2008, Fund coverage of flash appeal requirements decreased to approximately 6 per cent of the total amount requested.[8]

Table 4
Timeliness of funding from the Central Emergency Response Fund to flash appeals, as a percentage of total Central Emergency Response Fund allocations to flash appeals per calendar year

	2006	*2007*	*2008*	*2009 (at 30 June)*
Funding before or within two weeks of launch of appeal	45%	87%	73%	50%
Funding three to four weeks after launch of appeal	23%	6%	10%	—
Funding more than four weeks after launch of appeal	31%	7%	17%	50%

43. In 2008, contributions from the Central Emergency Response Fund covered approximately 3 per cent of the total requirements originally requested in consolidated appeals. In terms of the total funds actually contributed in response to consolidated appeals, funding provided by the Fund accounted for 7.2 per cent of the total funds received. From 2006 to 2008, funding from the Central Emergency Response Fund to countries with a consolidated appeal process declined, while its funding to countries without a consolidated appeal process steadily increased.[9]

44. The importance of gender mainstreaming is increasingly acknowledged within the humanitarian community and is prioritized in the context of the Central Emergency Response Fund. Gender mainstreaming is encouraged with all humanitarian agencies that receive funding from, and in all Central Emergency Response Fund projects funded by the Central Emergency Response Fund. The Inter-Agency Standing Committee guidelines and tools on mainstreaming gender in humanitarian action have been used in implementing many projects. In order to promote greater gender equity in projects funded from the Central Emergency Response Fund, the 2008 reporting requirements were updated to include, among other things, gender disaggregated data and information on how gender mainstreaming was incorporated in each project at the country level. Information provided in the reports will enable a more comprehensive effort to be made to mainstream gender in projects funded from the Central Emergency Response Fund.

[7] Analysis on funding from the Central Emergency Response Fund in response to consolidated appeals and flash appeals is based on figures that were available as at 16 April 2009.

[8] Some of this shift can be explained by the more than tripling of flash appeal requirements in 2008 to $1.2 billion, as compared to $386 million in 2007.

[9] Central Emergency Response Fund funding to non-consolidated appeal process countries had disproportionately increased in 2008 as a result of disbursements from the Central Emergency Response Fund food crisis reserve.

VI. Funding levels

45. The General Assembly has set a $450 million annual funding goal for the Central Emergency Response Fund. In 2008, this goal was surpassed for the first time when $453 million was contributed by 74 Member States, one Permanent Observer and six private organizations.

46. In order to share information, engage in policy discussion and generate support for the Central Emergency Response Fund for 2009, a high-level conference was organized in New York on 4 December 2008. By 30 June 2009, as a result of this conference and other resource mobilization activities, nearly $388 million had been pledged by 73 Member States and one Permanent Observer, and approximately $241 million had been made available in contributions. Owing to fluctuations in exchange rates for the United States dollar, and the economic downturn, it will be a challenge to reach the $450 million target for 2009. Nonetheless, it is a sign of the strong support for the Fund that 20 Member States increased their contributions in their respective national currencies, while only nine Member States decreased their contributions.

47. Since 2006, 107 Member States and Observers have pledged to the Fund, well over half of the membership of the General Assembly. In 2008 and the first half of 2009, 30 Member States contributed to the Fund for the first time. In keeping with the intended management of the Fund, at the end of 2008, a carry-over balance of at least $30 million was maintained in order to be able to respond in the case of a sudden emergency.

48. In 2009, the high-level conference will be held in December to discuss developments concerning the Fund and to solicit support for its financing for 2010. In keeping with the purpose of the Fund, contributions to it should be additional to commitments to humanitarian programming and resources dedicated to international development cooperation, and Member States should continue to support humanitarian agencies directly on a bilateral basis as well as through the Fund.

49. The effects of the global economic crisis on humanitarian financing are still far from clear. The Fund secretariat, in coordination with other humanitarian financing mechanisms, has been monitoring pledges and contributions closely, while also advocating for Member States to maintain contributions at the level of previous years.

VII. Conclusions

50. The Fund has continued to be an essential part of the multilateral humanitarian financial architecture, enabling agencies to jump-start relief operations following sudden-onset disasters, filling gaps in time-critical emergencies and increasing the coverage of needs in crises facing funding shortfalls. In response to the recommendations resulting from the two-year evaluation of the Fund, the Central Emergency Response Fund Advisory Group and the Office of Internal Oversight Services, the Fund secretariat has continued to improve its operations, financial management and reporting. Improvements have resulted in increased transparency and accountability to Member States, humanitarian partners and the general public.

51. The management response matrix based on the recommendations resulting from the two-year evaluation serves as a road map for the Fund, with the objective of continuing to increase its effectiveness and improve its operations. Looking

forward, the Fund secretariat will focus on developing and implementing a performance and accountability framework, further reducing transaction costs through simplification and harmonization of procedures, reviewing and improving guidance materials, implementing new communication and resource mobilization strategies, strengthening partnerships with non-governmental organizations and addressing a number of issues related to administrative and financial procedures and reporting arrangements. Further, the secretariat will continue to strengthen the Fund's complementarity with other humanitarian financing mechanisms, including country-based pooled funds and agency emergency funds.

52. There are many challenges ahead for the international humanitarian community. The full impact of the global economic crisis is still unknown, but, combined with other major global trends such as climate change, could result in an increase in emergency, life-saving needs, accompanied by a stagnation or even reduction of humanitarian aid budgets. Vulnerable groups in developing countries are likely to bear the brunt of the impact, possibly resulting in migration, increased food insecurity and social unrest. Governments will likely be under pressure to reduce spending on overseas aid programmes, including humanitarian aid. Emergency needs may also grow as a result of the increasing frequency, unpredictability and severity of weather-related events, the continuing effects of the food crisis in many developing countries, and other trends, such as population growth and urbanization, as well as the continuation of complex emergencies like those in Afghanistan, the Democratic Republic of the Congo, Somalia and the Sudan.

53. Whatever the impact of these challenges, the Central Emergency Response Fund will continue to play a central role in ensuring a rapid and well-coordinated response that meets the needs of the most vulnerable throughout the world. Member States are reminded of the $450 million annual funding goal set by the General Assembly and also of the need to maintain support for a diversity of humanitarian funding tools. Enhanced political and financial support is required to maintain the viability of the Fund and meet the ever-increasing challenges ahead. The Fund needs this support to be better able to promote a more predictable, timely, equitable, accountable, impartial and effective humanitarian response.

Annex I

Total contributions to the Central Emergency Response Fund, 1 January 2008 to 30 June 2009

(United States dollars)

	2008	2009	
Contributor	*Received*	*Pledged*	*Received*
Afghanistan	—	1 440.00	—
Albania	3 000.00	3 500.00	3 500.00
Algeria	10 000.00	10 000.00	10 000.00
Andorra	33 494.90	31 744.80	31 744.80
Antigua and Barbuda	5 000.00	5 000.00	5 000.00
Argentina	30 000.00	30 000.00	—
Armenia	5 000.00	5 000.00	5 000.00
Australia	9 517 000.00	7 821 600.00	7 821 600.00
Austria	1 030 055.00	421 940.93	—
Bangladesh	5 000.00	—	—
Belgium	2 539 594.30	6 476 500.00	—
Benin	—	1 500.00	1 500.00
Bhutan	1 480.00	1 480.00	1 480.00
Bosnia and Herzegovina	5 000.00	—	—
Botswana	5 000.00	—	—
Brazil	50 000.00	99 985.00	99 985.00
Bulgaria	10 000.00	15 000.00	—
Canada	39 037 522.76	31 850 960.00	8 704 281.57
Chile	100 000.00	20 000.00	20 000.00
China	500 000.00	500 000.00	500 000.00
Croatia	34 000.00	24 000.00	24 000.00
Czech Republic	153 874.56	154 710.00	—
Denmark	9 931 472.84	8 544 087.49	8 544 087.49
Ecuador	20 000.00	—	—
Egypt	15 000.00	15 000.00	15 000.00
Estonia	91 200.00	80 845.00	80 845.00
Finland	7 791 000.00	8 198 400.00	8 198 400.00
France	2 223 046.38	—	—
Germany	14 790 000.00	19 522 484.38	19 522 484.38
Ghana	—	10 000.00	—
Greece	300 000.00	500 000.00	500 000.00
Guatemala	10 000.00	—	—
Guyana	4 912.84	—	—
Hungary	20 000.00	54 088.00	54 088.00
Holy See[a]	5 000.00	5 000.00	—
Iceland	611 243.27	—	—

Contributor	2008	2009	
	Received	*Pledged*	*Received*
India	—	500 000.00	—
Indonesia	100 000.00	125 000.00	—
Ireland	33 301 074.00	25 906 000.00	12 802 974.00
Israel	15 000.00	15 000.00	15 000.00
Italy	2 935 400.00	1 358 868.00	1 358 868.00
Jamaica	—	5 000.00	5 000.00
Japan	2 169 083.18	1 000 000.00	1 000 000.00
Kazakhstan	50 000.00	50 000.00	50 000.00
Kenya	—	10 000.00	—
Republic of Korea	2 000 000.00	3 000 000.00	2 000 000.00
Kuwait	50 000.00	50 000.00	—
Lao People's Democratic Republic	—	3 000.00	3 000.00
Latvia	20 000.00	—	—
Liechtenstein	196 136.12	230 840.26	230 840.26
Lithuania	20 844.62	—	—
Luxembourg	6 190 400.00	5 181 200.00	—
Malaysia	100 000.00	100 000.00	—
Mexico	100 000.00	150 000.00	—
Monaco	139 313.48	129 530.00	—
Montenegro	2 500.00	4 975.00	4 975.00
Morocco	5 000.00	5 000.00	5 000.00
Mozambique	—	2 000.00	—
Myanmar	—	10 000.00	10 000.00
Namibia	—	1 000.00	1 000.00
Netherlands	63 900 000.00	55 668 000.00	55 668 000.00
New Zealand	1 000 000.00	1 000 000.00	1 000 000.00
Norway	55 258 765.36	42 734 982.73	42 734 982.73
Oman	—	30 000.00	30 000.00
Pakistan	20 000.00	15 000.00	15 000.00
Peru	10 000.00	—	—
Philippines	5 000.00	10 000.00	10 000.00
Poland	300 000.00	300 000.00	—
Portugal	312 400.00	263 020.00	263 020.00
Qatar	—	10 050 000.00	50 000.00
Saint Lucia	—	1 000.00	—
Samoa	—	2 000.00	—
San Marino	4 412.74	—	—
Saudi Arabia	100 000.00	150 000.00	150 000.00
Slovenia	50 000.00	50 000.00	—
South Africa	221 538.45	180 000.00	—

Contributor	2008	2009	
	Received	*Pledged*	*Received*
Spain	45 531 968.00	38 860 103.63	—
Sri Lanka	9 982.00	10 132.85	—
Sweden	56 264 400.17	49 367 572.36	49 367 572.36
Switzerland	7 241 824.57	4 657 370.02	4 657 370.02
Syrian Arab Republic	5 000.00	—	—
Thailand	20 000.00	—	—
The Former Yugoslav Republic of Macedonia	2 000.00	—	—
Timor-Leste	—	1 200.00	1 200.00
Trinidad and Tobago	20 000.00	20 000.00	—
Tunisia	5 000.00	—	—
Turkey	300 000.00	200 000.00	200 000.00
Tuvalu	—	1 000.00	1 000.00
United Arab Emirates	50 000.00	—	—
United Kingdom of Great Britain and Northern Ireland	80 239 000.00	61 444 000.00	14 780 000.00
United States of America	5 000 000.00	—	—
Viet Nam	—	10 000.00	—
Alexander Bodini	10 000.00	15 000.00	15 000.00
Disaster Resource Network	5 000.00	—	—
Humanity First USA	2 500.00	—	—
Private donations through United Nations Foundation[b]	718 201.00	156 030.00	156 030.00
SCOR Group	200 000.00	—	—
Abu Dhabi National Energy Company (TAQA)	—	150 000.00	150 000.00
The Estate of George Gary	—	10 408.05	10 408.05
Private donations outside the United Nations Foundation	3 514.92	—	—
Red Crescent Society of the United Arab Emirates	—	9 981.50	9 981.50
Total	**453 093 155.46**	**387 608 480.00**	**240 899 218.16**

Notes:

(1) Amounts received are recorded at the exchange rate in effect on the day the deposit is received and may differ from pledged due to fluctuations in exchange rates.

(2) Amounts stated do not constitute official United Nations financial records.

(3) At the date of preparation of the report, outstanding pledges from Canada, Mexico, Mozambique, the Republic of Korea and the United Kingdom had been honoured, but have not been included in the total as the contributions were received after 30 June 2009.

[a] The Holy See is an observer State.

[b] Includes contributions from Western Union and PriceWaterhouseCoopers.

Annex II

Total committed funds from the Central Emergency Response Fund, 1 January 2008 to 30 June 2009[a]

(United States dollars)

	2008			2009		
Country	*Rapid response*	*Underfunded*	*Total committed*	*Rapid response*	*Underfunded*	*Total committed*
Afghanistan	9 446 560.00	8 774 084.00	18 220 644.00	4 165 567.00	—	4 165 567.00
Angola	1 498 653.00	—	1 498 653.00	2 354 123.00	—	2 354 123.00
Bangladesh	1 000 000.00	—	1 000 000.00	—	—	—
Bolivia	2 271 874.00	—	2 271 874.00	—	—	—
Burkina Faso	2 000 293.00	3 399 999.00	5 400 292.00	1 650 443.00	1 997 535.00	3 647 978.00
Burundi	1 600 013.00	3 587 934.00	5 187 947.00	—	3 956 773.00	3 956 773.00
Cameroon	4 720 260.00	2 000 006.00	6 720 266.00	—	—	—
Comoros	534 037.00	—	534 037.00	—	—	—
Central African Republic	3 387 014.00	—	3 387 014.00	187 355.00	—	187 355.00
Chad	5 507 547.00	6 766 433.00	12 273 980.00	1 998 660.00	—	1 998 660.00
China	8 045 731.00	—	8 045 731.00	—	—	—
Colombia	1 838 333.00	—	1 838 333.00	3 135 341.00	4 999 979.00	8 135 320.00
Côte d'Ivoire	5 072 073.00	7 002 959.00	12 075 032.00	—	2 000 003.00	2 000 003.00
Cuba	7 367 516.00	—	7 367 516.00	—	—	—
Djibouti	5 580 667.00	—	5 580 667.00	—	1 996 905.00	1 996 905.00
Democratic People's Republic of Korea	1 398 170.00	1 999 884.00	3 398 054.00	—	9 999 909.00	9 999 909.00
Democratic Republic of the Congo	3 000 022.00	38 106 996.00	41 107 018.00	12 950 354.00	—	12 950 354.00
Eritrea	2 996 242.00	—	2 996 242.00	—	1 999 999.00	1 999 999.00
Ethiopia	21 876 887.00	9 651 153.00	31 528 040.00	—	9 666 134.00	9 666 134.00
Georgia	2 995 315.00	—	2 995 315.00	—	—	—
Guatemala	1 483 541.00	—	1 483 541.00	—	—	—
Guinea-Bissau	1 201 967.00	—	1 201 967.00	—	—	—
Guinea	3 999 178.00	—	3 999 178.00	1 450 000.00	—	1 450 000.00
Haiti	16 030 104.00	—	16 030 104.00	—	4 995 766.00	4 995 766.00
Honduras	1 501 344.00	—	1 501 344.00	—	—	—
India	3 010 825.00	—	3 010 825.00	—	—	—
Iraq	6 636 654.00	5 000 001.00	11 636 655.00	1 004 837.00	—	1 004 837.00
Jordan	3 543 119.00	—	3 543 119.00	—	—	—
Kenya	19 563 931.00	6 406 348.00	25 970 279.00	13 298 355.00	—	13 298 355.00
Kyrgyzstan	1 970 556.00	—	1 970 556.00	—	—	—

Country	2008			2009		
	Rapid response	*Underfunded*	*Total committed*	*Rapid response*	*Underfunded*	*Total committed*
Lao People's Democratic Republic	2 024 378.00	—	2 024 378.00	—	—	—
Lebanon	1 008 582.00	—	1 008 582.00	—	—	—
Lesotho	1 895 820.00	—	1 895 820.00	574 955.00	—	574 955.00
Liberia	1 900 000.00	—	1 900 000.00	—	—	—
Madagascar	6 490 800.00	—	6 490 800.00	6 450 994.00	—	6 450 994.00
Mali	—	3 198 972.00	3 198 972.00	—	—	—
Malawi	—	—	—	544 860.00	—	544 860.00
Mauritania	1 132 595.00	—	1 132 595.00	—	—	—
Mexico	—	—	—	—	—	—
Mozambique	4 839 160.00	—	4 839 160.00	547 001.00	—	547 001.00
Myanmar	26 417 370.00	2 019 979.00	28 437 349.00	—	2 998 439.00	2 998 439.00
Namibia	—	—	—	1 299 825.00	—	1 299 825.00
Nepal	6 643 120.00	5 997 698.00	12 640 818.00	—	—	—
Niger	3 754 643.00	6 499 999.00	10 254 642.00	1 426 230.00	3 976 342.00	5 402 572.00
Nigeria	—	—	—	1 279 887.00	—	1 279 887.00
Occupied Palestinian Territory	4 988 364.00	—	4 988 364.00	9 409 055.00	—	9 409 055.00
Pakistan	11 911 265.00	6 808 525.00	18 719 790.00	8 890 399.00	—	8 890 399.00
Philippines	2 080 292.00	—	2 080 292.00	—	—	—
Republic of the Congo	—	2 011 654.00	2 011 654.00	—	—	—
Somalia	11 721 943.00	—	11 721 943.00	—	9 999 999.00	9 999 999.00
Sri Lanka	8 501 410.00	3 995 382.00	12 496 792.00	21 250 277.00	—	21 250 277.00
Sudan	16 025 254.00	—	16 025 254.00	16 986 029.00	—	16 986 029.00
Syrian Arab Republic	6 966 175.00	624 741.00	7 590 916.00	—	—	—
Tajikistan	7 647 237.00	—	7 647 237.00	—	—	—
Togo	2 074 049.00	—	2 074 049.00	—	—	—
Uganda	5 681 929.00	—	5 681 929.00	1 191 321.00	—	1 191 321.00
United Republic of Tanzania	499 958.00	—	499 958.00	1 371 563.00	—	1 371 563.00
Yemen	8 206 847.00	—	8 206 847.00	—	4 705 281.00	4 705 281.00
Zimbabwe	6 988 475.00	4 493 657.48	11 482 132.48	7 899 348.00	9 982 000.00	17 881 348.00
Total	**300 478 092.00**	**128 346 404.48**	**428 824 496.48**	**121 316 779.00**	**73 275 064.00**	**194 591 843.00**

Note: **Committed funds reflect project amounts approved by the Emergency Relief Coordinator and do not reflect actual certified financial values.**

[a] **Funding approved by the Emergency Relief Coordinator.**

Annex III

Central Emergency Response Fund Loans, 1 January 2008 to 30 June 2009

(United States dollars)

Agency	*Country*	*Amount*
WFP	Democratic Republic of the Congo	3 750 000.00
WFP	Ethiopia	26 250 000.00
Total		**30 000 000.00**

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Sixty-fourth session
Item 71 (c) of the provisional agenda*
Promotion and protection of human rights: human rights situations and reports of special rapporteurs and representatives

Situation of human rights in the Palestinian territories occupied since 1967

Note by the Secretary-General**

The Secretary-General has the honour to transmit to the members of the General Assembly the report of the Special Rapporteur on the situation of human rights in the Palestinian territories occupied since 1967, Richard Falk, submitted in accordance with Human Rights Council resolution 5/1.

* A/64/150.

** This report was submitted after the deadline so as to include the most recent developments.

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Report of the Special Rapporteur on the situation of human rights in the Palestinian territories occupied by Israel since 1967

Summary

The present report examines the observance of international humanitarian and international human rights standards in the Palestinian territories occupied by Israel since 1967 during the period from December 2008 to July 2009. The report takes note of the continuing unlawful non-cooperation of the Government of Israel with the mandate holder. It pays particular attention to the Gaza Strip after the Israeli military operation "Operation Cast Lead", noting the continuation of the blockade that jeopardizes fundamental human rights, hinders reconstruction and repair of vital civilian infrastructure.

The report reviews alleged war crimes committed during Operation Cast Lead and the issue of accountability. It considers available information regarding attacks on United Nations facilities and the civilian population and provides an analysis of their legal merit. The report comments on the testimony of combat soldiers who took part in Operation Cast Lead, which gives evidence of consistent reliance on loose rules of engagement and widespread destruction of targets that could not be justified from a military or security perspective.

The report discusses the issue of Israeli settlements, noting that recent discussions of a freeze on settlements have been made as political steps and not with reference to Palestinian rights under international humanitarian law. Finally, the report discusses the issue of the continued construction of a wall in the occupied Palestinian territories and Israeli non-compliance with the 2004 advisory opinion of the International Court of Justice, which it considers to be damaging to international law, to the International Court of Justice and to the United Nations generally.

The report ends with recommendations that the General Assembly should request an advisory opinion from the International Court of Justice on the obligations and duties of Member States to cooperate with the Organization and its representatives; that Members of the United Nations should be encouraged to use national means, including courts, with respect to implementing international criminal law as pertains to the occupied Palestinian Territory; that Israeli respect for international law and Palestinian rights should henceforth be an integral element in future peace negotiations; and that consideration should be given to imposing limits on the supply of arms to the parties to the Israel-Palestine conflict.

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I. Introduction

1. The Special Rapporteur on the situation of human rights in the Palestinian territories occupied since 1967 was appointed in accordance with resolution 1993/2 A of the Commission on Human Rights, on 26 March 2008, and took up his position on 1 May 2008. Richard Falk as Special Rapporteur holder of the mandate was expelled from Israel on 14 December 2008, and despite repeated formal efforts to discuss future visits to the occupied Palestinian Territory (oPt), Israel has ignored all such approaches without providing any explanation.

2. His report takes particular note of the continuing unlawful non-cooperation of Israel with the work of the mandate holder. Along similar lines it has denied entry and cooperation with the Human Rights Council fact-finding mission on the Gaza conflict headed by Judge Richard Goldstone. As suggested in earlier reports this non-cooperative behaviour is setting an unfortunate precedent for Human Rights Council/United Nations relations with Member States, as well as interfering with the work of the mandate. As earlier, it is recommended that the General Assembly or the Human Rights Council request clarification of the legal consequences of this non-cooperative behaviour by referring the issue to the International Court of Justice for an advisory opinion. As a result of the inability of the Special Rapporteur to carry out site visits, this report relies heavily on the work of others, especially a variety of independent and reliable human rights non-governmental organizations and the work of various actors within the United Nations System.

3. The report covers developments taking place primarily from December 2008 to July 2009 and several issues will be addressed in detail, mainly the Gaza crisis, the accountability gap, the advisory opinion rendered by the International Court of Justice on 9 July 2004 on construction of a security wall by Israel,[1] settlement expansion, Palestinian self-determination and gaps in international humanitarian law. The following sections provide a brief overview of each of these issues.

4. On the Gaza crisis, although the ceasefire established by the parties on 18 January 2009 has generally held, the overall situation is that Gaza has continued to deteriorate in a manner that discloses patterns of grave breaches of the Fourth Geneva Convention and violations of international human rights law which have implications under international criminal law. Due to the persistence of the blockade of the Gaza Strip, insufficient basic necessities are reaching the population; health conditions have further worsened putting all Gazans at risk; building materials needed for the repair and reconstruction of homes and buildings destroyed by the Israeli Defense Forces during the 22-day Gaza War have been disallowed entry. The United Nations System is challenged on an emergency basis to take some tangible action to render protection to the civilian population of Gaza.

5. On accountability, there have by now been several authoritative reports with convergent and mutually reinforcing confirmation of war crimes allegations.[2] It will be important to add to this available information the report of the fact-finding mission headed by Judge Goldstone, due 12 September 2009, but it is not too early to wonder about the follow-up, which means seeking mechanisms to impose

[1] See A/ES-10/273 and Corr.1; see also *Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory, Advisory Opinion, ICJ Report 2004*, p. 136, and General Assembly resolution ES-10/15.

[2] See para. 24 below.

accountability and avoid impunity. A recent decision by the British Government to cancel contracts for the delivery of spare parts to the Israeli navy was based on objections to the manner in which Israel has conducted recent military operations. It is notable that Amnesty International called for a complete arms embargo on both Israel and Hamas in light of its conclusions discussed above about the Israeli military operation in Gaza named Operation Cast Lead.

6. The fifth anniversary of the advisory opinion on the construction of a security wall by Israel[1] calls attention to several factors: (a) despite the near unanimity of the International Court of Justice (14 judges against one) that the wall as located on occupied Palestinian territory was unlawful and should be immediately dismantled, Israel has continued construction of the wall, now about two-thirds complete; (b) the defiance of a definitive ruling of the Court on international law is a serious violation by Israel of its obligations as a Member of the United Nations and as a sovereign State; even though embodied in an "advisory opinion", the decision of the Court represents an authoritative assessment of international law and was also accepted as authoritative by the General Assembly in its resolution ES-10/15 adopted on 20 July 2004; (c) the failure of the United Nations System to make more of an effort to implement such a clear and widely supported conclusion of international law is a further indication that Palestinian rights are not respected and that Israel enjoys a situation of de facto impunity; and (d) continued Palestinian non-violent demonstrations at wall construction sites have been met with excessive force by Israeli security forces resulting in several deaths and numerous casualties.[3]

7. On settlement expansion, despite many calls for a settlement freeze, including by United States President Obama, reports indicate that settlement expansion continues in both East Jerusalem and the West Bank. It has been made clear by the Palestinian Authority and the United States Government that any further progress on the "road map" depends on an unconditional Israeli freeze on settlement growth. It should be noted that such a freeze, even if agreed upon, does not deal with the underlying illegality of the settlements as set forth in article 49(6) of the Fourth Geneva Convention.

8. On Palestinian self-determination, the most fundamental international human right whose realization has been thwarted by Israeli occupation of Palestinian territories is the inalienable right of self-determination as enshrined in article 1 of both international human rights covenants. It has been widely assumed that the exercise of this Palestinian right would be brought about through bilateral negotiations, reinforced by the role of the United States, more recently by the Quartet (that has involved direct United Nations participation) and encouraged by the international community as a whole. Because the exercise of this right has been so long deferred and because the Palestinian situation under occupation endures multiple forms of unlawfulness, it is of utmost urgency to work towards a peaceful solution and an end to Israeli occupation.

9. It is relevant to this report, then, to take note of two sets of contradictory developments, some negative, others seemingly positive, bearing on the right of

[3] A number of 1,804 Palestinians were injured in anti-Barrier demonstrations between January 2005 and June 2009, which represents 31 per cent of all direct conflict injuries in the West Bank. See Office for the Coordination of Humanitarian Affairs, "Five Years after the International Court of Justice Advisory Opinion: A Summary of the Humanitarian Impact of the Barrier", July 2009. Available from www.ochaopt.org.

self-determination. The main negative development is the seeming unwillingness of the recently elected Israeli Government to endorse in clear terms the international consensus on a sovereign Palestinian State comprising the West Bank, Gaza, and East Jerusalem as its capital; the inability on the Palestinian side to achieve unified and legitimated representation that would seem to be a precondition for meaningful peace negotiations is another negative development.

10. This set of conditions has led in recent months to the advocacy of an imposed solution by external parties, often known as "the Solana Plan" because of the prominence accorded to proposals made along these lines by Javier Solana. At present, neither public opinion nor leaders in Israel or Palestine are favourable to an imposed solution, and its advocacy must be considered a negative development, inconsistent with the right of self-determination, and an expression of frustration arising from the seeming futility of direct negotiations.

11. The positive developments involve clear formulations of the importance of forward progress with respect to self-determination on the basis of an end to Israeli occupation and the establishment of Palestinian statehood. To this effect, President Obama stated on 4 June 2009 in Cairo: "the situation for the Palestinian people is intolerable, and America will not turn its back on the legitimate Palestinian aspiration for dignity, opportunity and a State of their own". Such positions were reiterated by the Security Council in its statement of 11 May 2009, and by the Quartet in its statement of 26 June 2009 in Trieste: It agreed "that Arab-Israeli peace and the establishment of a State of Palestine in the West Bank and Gaza in which the Palestinian people can determine their own destiny is in the fundamental interests of the international community".

12. As far as gaps in international humanitarian law are concerned, the prolonged occupation of Palestinian territories, as well as recent military operations by Israel, have revealed three gaps in the law that deserve to be noticed and closed as soon as possible: (a) the denial of a right by civilians to depart from a combat zone. This right was denied to all civilian inhabitants of Gaza during Operation Cast Lead with the exception of a few hundred Gazan residents with foreign passports and members of a small Christian community in Gaza.[4] There seems to be a variety of issues posed here about the occupiers' duty to protect the civilian population as most fully described in Additional Protocol I to the Geneva Conventions, which is binding because its norms are incorporated into customary international law despite Israel not being a party to this treaty;[5] (b) the denial of internationally donated reconstruction aid to repair war damage in Gaza due to maintenance of blockade in violation of article 33 of the Fourth Geneva Convention. This blockage of reconstruction aid could be treated as an instance of prohibited collective punishment, but because it raises a distinct set of post-combat issues that are not explicitly addressed by international humanitarian law it might be best handled by the adoption of a further protocol to the Geneva Conventions; and (c) as a specific result of prolonged occupation of the occupied Palestinian Territory, now in its forty-second year, coupled with restrictions on mobility imposed by the occupying power, anguishing family fragmentations have added to Palestinian suffering and seem unacceptable from the perspective of international human rights.

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[4] See Amnesty International "Israel and Gaza: Operation 'Cast Lead': 22 days of death and destruction", 2 July 2009. Available from www.amnesty.org/en/library/info/MDE15/015/2009/en.

[5] Ibid.; see also articles 51, 52 and 57 of Protocol I to the Geneva Conventions.

13. The Nobel Peace laureate, Mairead Maguire, a frequent visitor to Gaza and the West Bank, has recently written that there is rightly much talk about people and aid getting into Gaza but for her the greatest crime the Israeli Government commits is to cut the people of Gaza off from family and friends in the West Bank, and also from other Palestinians around the world. She noted that denying people the right to meet with their families and friends is surely one of the greatest forms of torture and collective punishment of civilians.[6] Of course, these statements are not declarative of existing legal rights but they call attention to a gap in the international humanitarian law protection of a civilian population subjected to prolonged occupation. In the Palestinian situation, with rights of entry and exit so strictly monitored, these restrictions impose particularly anguishing burdens. An additional dimension of prolonged occupation is the inability of Palestinian refugees living in foreign countries to maintain contact with their families over the course of more than four decades. This tragic gap in civilian protection associated with prolonged occupation seems completely unaddressed in the existing international humanitarian law framework.

II. Gaza after the ceasefire

14. The continuing crisis that confronts the entire civilian population of the Gaza Strip with unalleviated desperate circumstances arising from various unlawful features of the Israeli occupation is a challenge to the United Nations System and to the international community. To ignore this challenge is to send a powerful message that violations of international humanitarian law and international human rights standards do not matter, and that a state backed up by strong geopolitical support enjoys virtually unrestricted impunity.

A. The blockade

15. The International Committee of the Red Cross (ICRC) issued an important report entitled "Gaza: 1.5 Million People Trapped in Despair" on 1 July 2009. Taking note of the massive human and material devastation caused by the 22 days of Operation Cast Lead, the report writes: "Six months later [after the Cast Lead ceasefire], restrictions on imports are making it impossible for Gazans to rebuild their lives. The quantities of goods now entering Gaza fall well short of what is required to meet the population's need. In May 2009, only 2,662 truckloads of goods entered Gaza from Israel, a decrease of almost 80 per cent compared to the 11,392 truckloads allowed in during April 2007, before Hamas took over the territory".[7] According to estimates of Amnesty International, this is about one twentieth of the daily average of supplies entering Gaza before the blockade, although some estimates put the disparity at the one-fifth level.

16. ICRC report goes on to note that Gaza neighbourhoods destroyed by the military operation "will continue to look like the epicentre of a massive earthquake" unless "vast quantities"[7] of construction materials are allowed to enter both for rebuilding and to repair damage to the infrastructure. It is also claimed that as many

[6] See letter to Miguel d'Escoto-Brockmann, President of the General Assembly, 17 July 2009.

[7] See International Committee of the Red Cross, "Gaza: 1.5 Million People Trapped in Despair", July 2009.

as 340,000 Palestinians were displaced by Operation Cast Lead, and due to the blockade many of these remain homeless. The open letter to Carl Bildt[8] sent by the Palestinian Council of Human Rights Organizations also makes the following allegation: "patients, some of whom were injured as a direct result of 'Operation Cast Lead', are regularly denied permission to leave the Gaza Strip in order to seek critical medical treatment abroad, which has ultimately resulted in several deaths".

17. In the language of the ICRC report, "the only way to address this crisis is to lift restrictions on spare parts, water pipes, and building materials such as cement and steel [and glass] so that homes can be rebuilt and vital infrastructure maintained and upgraded".[7] As matters now stand, the maintenance of the blockade prevents reconstruction, keeps the vital water and sewage disposal system in unsafe condition, and extends the health crisis described in the prior report of the Special Rapporteur (A/63/326). The nearly $4.5 billion pledged in Egypt in March 2009, at the donor conference for reconstruction of Gaza has had virtually no impact on the life circumstances of Gaza and its population. Israel takes the position that only humanitarian goods will be allowed to enter Gaza, and that is strictly interpreted to mean subsistence needs, disallowing such foods as tomato paste, biscuits, and canned tuna, as well as a blanket prohibition on building materials.

18. The blockade in recent months has also meant a further deepening of Gazan impoverishment, which has increasingly been regarded by specialists, as virtually irreversible without a massive effort. As the ICRC report puts it, "the crisis has become so severe and entrenched that even if all crossings were to open tomorrow it would take years for the economy to recover".[7] Most recent figures place unemployment at over 44 per cent, dependence on food aid for subsistence at 80 per cent, decline of industrial output at 96 per cent, and poverty at over 70 per cent. Most emphasis in discussions of the blockade have been on import restrictions, but the prohibition placed upon exports also has had an undeniable crippling effect on the economy and well-being of the Gazan population, leading to the complete collapse of industrial and agricultural exports that had provided some material security for significant portions of the population and some hope for the future development of the Gaza Strip. It would be inadequate to return to the status quo prior to Operation Cast Lead. Only a complete termination of the blockade that allows imports and exports at May 2007 levels would be acceptable.

19. One perverse side-effect of the continuing blockade is to encourage Gazan reliance on tunnels into Egypt to obtain essential supplies, giving rise to black market activities and to severe safety hazards. It has been reported that in 2009 alone, 39 persons have died as a result of tunnel accidents, either from tunnel collapse or suffocation due to fuel leakages. As has been noted, "the tight siege imposed by the Israeli Occupation Forces (IOF) on the Gaza Strip [...] has driven the tunnel industry in Gaza, which has prospered in response to the sharp lack of essential goods".[9] If the crossings were open, the tunnels would likely disappear, or their role limited to efforts to smuggle arms and other illegal commodities. According to weapons specialists, Qassam rockets, predominantly used by Hamas in the attacks on Israel are locally made in Gaza, and thus there are no genuine security reasons for keeping the crossings closed. It would then become more feasible for

[8] See letter dated 23 July 2009 from the Palestinian Council of Human Rights, addressed to Mr. Carl Bildt, Foreign Minister of Sweden. Available from www.alhaq.org.

[9] See Al Mezan Center for Human Rights, press release No. 67/2009 of 28 July 2009.

Israel to monitor the tunnel traffic, to the extent it continued, for weapons smuggling.

20. The harmful impact of strict controls of mobility on family and social relations has been noted as part of the overall Gazan reality that ICRC graphically summarizes by the phrase applicable to the entire population of the Strip as "trapped in despair". A further dimension of this entrapment is the disallowance of hundreds of young people to seek education abroad,[10] including some cruel and dispiriting incidents involving Palestinians who have gained fellowship assistance from leading universities only to be refused exit permits by Israel in its role as occupying power.[11]

21. It needs to be noted once again, and repeated frequently, that the blockade as such is flagrantly and vindictively unlawful given the clear obligation of article 33 of the Fourth Geneva Convention to avoid collective punishment without exception. As such it constitutes a war crime of great magnitude. This denial of access to reconstruction materials appears to be an aggravated violation of article 33, especially severe given the physical and psychological vulnerability of the population in the aftermath of Operation Cast Lead.

22. Once again, the Free Gaza Movement sought to send a ship, *Spirit of Humanity*, containing humanitarian supplies to Gaza as a symbolic expression of the unwillingness on the part of peace activists to respect the unlawful blockade. Six prior ships had succeeded in landing in Gaza, although a prior boat, *Dignity*, had been rammed by an Israeli naval vessel in December 2008, and prevented from reaching Gaza. The announced purpose of this mission was to deliver needed supplies to Gaza, but also to expose the failures of the United Nations and of the intergovernmental community of States to implement international humanitarian law as obligated by articles 1 and 147 of the Fourth Geneva Convention, as well as article 86(1) of Protocol I.

23. As before, the ship was stopped and boarded in international waters, which constitutes an unlawful operation; the passengers were arrested for various periods up to several days, including former American congresswoman and Green Party presidential candidate, Cynthia McKinney. Despite the international site of the incident, 20 passengers were initially charged with "illegally entering Israeli waters" but were eventually released. The Free Gaza Movement vividly reinforces the impression that civil society takes international humanitarian law and international criminal law more seriously in this setting than do governments.

B. War crimes and accountability

24. There have been several important studies under respected auspices that confirm the earlier suspicions based on journalistic presentations and eye witness accounts of war crimes associated with Operation Cast Lead. These include (a) a comprehensive study prepared by a team of specialists in international humanitarian

[10] See Office for the Coordination of Humanitarian Affairs, *The Humanitarian Monitor*, June and July 2009.

[11] For confirmation of this role from the perspective of international law, see report of Amnesty International (note 3 above), rejecting Israel's claim that implementation of its 2005 "disengagement" plan ended its legal responsibilities as occupying power in Gaza.

law led by John Dugard, the former Special Rapporteur on the situation of human rights in the Palestinian territories occupied since 1967, as an undertaking of the Arab League, under the title *Report of the Independent Fact-Finding Committee on Gaza: No Safe Place*, presented to the League on 30 April 2009; (b) the major report on war crimes by Amnesty International, published in July 2009, entitled *Israel/Gaza: Operation "Cast Lead": 22 Days of Death and Destruction*, several reports by Human Rights Watch;[12] and (c) the ICRC report entitled *Gaza: 1.5 Million People Trapped in Despair*, which is mainly confirmatory of the scale of devastation, and the aggravating impact of the Israeli refusal to lift the blockade. There is also a major report conducted by the United Nations Board of Inquiry relating to damage done to United Nations facilities and personnel as a result of Operation Cast Lead. A series of conclusions relating to Israeli responsibility and obligations were revealed in the executive summary of the full report; regrettably by order of the Secretary-General the full report has not been released, but its main conclusion is that Israel without sufficient military justification and with deliberate intention did serious harm to several United Nations facilities and caused major casualties on the part of those taking shelter in United Nations buildings and schools.

25. The reports of John Dugard, Amnesty International and Human Rights Watch achieve a high degree of reliability because their work product is convergent in two important respects: first, they adopt a balanced look at allegations of war crimes associated with the tactics relied on by Hamas, especially the firing of rockets into southern Israel and the accusations involving use of "human shields" by Hamas fighters, as well as a detailed consideration of allegations concerning Israeli tactics during Operation Cast Lead; and, secondly, they show an essential agreement on assessments of fact and law, leading to the overarching indictment of Israeli combat tactics as violative of international humanitarian law and thus engaging international criminal law. Such conclusions were further bolstered by the extraordinary testimony of 30 Israeli Defense Forces soldiers who took part in Operation Cast Lead, and received only perfunctory denials by the Government of Israel.[13] In addition, the reports also reached a subsidiary conclusion that Hamas tactics, although on a far more restricted basis, also constituted violations of the laws of war.

26. As indicated above, despite the overwhelming consensus associated with available materials relating to war crimes allegations directed at Israel and Hamas (as de facto governing authority in Gaza), the report of the fact-finding mission led by Judge Goldstone is awaited with great anticipation, and will likely address the same range of issues, but will include the evaluation of testimony received at a series of hearings with victims and other participants; members of this Human Rights Council mandated investigation were also denied entry to Gaza by way of Israel, and were forced to depend on the cooperation of the Egyptian Government to obtain access to Gaza; they received no requested cooperation from Israel. Its report is due in September 2009.

[12] "Rain of Fire: Israel's Unlawful Use of White Phosphorus in Gaza", 25 March 2009; "Precisely Wrong: Gaza Civilians Killed by Israeli Drone-Launched Missiles", 30 June 2009; "Rockets from Gaza: Harm to Civilians from Palestinian Armed Groups' Rocket Attacks", 6 August 2009; "White Flag Deaths: Killings of Palestinian Civilians during Operation Cast Lead", 13 August 2009 (available at www.hrw.org/en/publications/reports).

[13] See para. 29 below and note 14.

27. Whether in response to the incriminating testimony of Israeli soldiers or in anticipation of the report of Judge Goldstone, the Israeli Foreign Ministry announced on 30 July 2009 that it was going to investigate 100 complaints about Operation Cast Lead, including allegations concerning the use of phosphorus artillery shells. This is a welcome recognition by the Israeli Government that war crimes allegations are better acknowledged and investigated by Israel than dismissed out of hand. Although one continues to hope for an objective inquiry, Israel's formal announcement of the investigation was coupled with a detailed reassertion and comprehensive explanation of why Operation Cast Lead was a necessary and proportionate response to rocket attacks and suicide bombings over an eight year period, and that it was carried out with scrupulous regard for international humanitarian law.[14]

28. All of the above developments suggest that once the facts are established and recommendations received, attention will shift to the more difficult question of devising an appropriate mechanism for assessing accountability for war crimes. For political reasons, it is unlikely that such a mechanism will be established under United Nations auspices although the legal capacity to do so is definitely present, as it was illustrated by the establishment of ad hoc criminal tribunals for former Yugoslavia and Rwanda in the 1990s. The General Assembly also possesses the constitutional authority under Article 22 of the Charter of the United Nations to establish subsidiary organs as it deems necessary for the performance of its functions, and although it has never established a criminal tribunal, there is every reason to suppose that it possesses the authority to do so. Further, for jurisdictional, as well as political reasons, it is almost certain that the International Criminal Court is not available: Israel is not a party and would undoubtedly refuse all forms of cooperation. Palestine did not attempt to become party until after Operation Cast Lead and is not widely thought to have at present the legal credentials to qualify and be accepted as a "State". It is likely that the only available form of accountability will result from civil society initiatives associated with the imposition of sporting and cultural boycotts and divestment moves involving trade and investment. Once again it is anticipated that governments and the United Nations will not follow through at the implementation stage with respect to international legal obligations.

C. Breaking the silence

29. *Breaking the Silence: Operation Cast Lead*[15] is a publication containing the responses of combat soldiers who took part in the military operation. It has received considerable media attention because it confirms from within the Israeli Defense Forces several disturbing allegations: consistent Forces reliance on unacceptably loose rules of engagement that meant that international humanitarian law guidelines as to limits on military force in relation to civilians and civilian targets became virtually inoperative and were not part of briefings given prior to or during combat; widespread destruction of target that could not be justified from a military or

[14] See Reuters, "Israel says investigating 100 Gaza war complaints", 30 July 2009; for the full text of the report, see *The Operation in Gaza: Factual and Legal Aspects*, Israel Ministry of Foreign Affairs, 29 July 2009.

[15] Breaking the Silence is an organization of veteran Israeli soldiers that collects testimonies of soldiers who served in the occupied territories during the Second Intifadah. *Breaking the Silence: Operation Cast Lead* is available from www.breakingthesilenceorg.il.

security perspective; use of phosphorus in densely populated zones; interference with Gazan civilian movement to places of relative safety in Gaza by the fragmentation of the Strip trapping many within the worst combat sectors; racist pressures brought to bear on soldiers by what was described as the "military rabbinate", dehumanizing Arabs and Palestinians, and treating the conflict as a holy war against a demonic enemy.

30. It should be noted that the testimonies of these Israeli Defense Forces soldiers assumed greater credibility because they were not at all anti-Israeli or anti-Zionist in tone, and many of the soldiers accepted the underlying rationale of Operation Cast Lead as a necessary defensive reaction to Hamas rockets. Also there were some qualifications placed on the condemnation of disregard of the Forces for civilians: there was acknowledgement that Forces warnings were issued, that warning shots were sometimes fired to identify whether individuals were suspicious or to deter Gazans from coming closer to where soldiers were deployed, and that sporadic efforts were made by some Forces commanders to avoid doing as much civilian damage as could have been inflicted. Overall, an impression emerges from the testimonies that many of the tactics relied upon were less designed to kill and injure Palestinian civilians than to protect Israeli soldiers from injury, death, or capture. However, much of this increased the risks of harm inflicted to innocent Palestinians. A typical sentiment in the testimony was the following order given by a field commander to Defense Forces troops: "Not a hair will fall off a soldier of mine, and I am not willing to allow a soldier of mine to risk himself by hesitating. If you are not sure — shoot".[15] Or more generally: "There was a clear feeling, and this was repeated whenever others spoke to us, that no humanitarian consideration played any role in the army at present. The goal was to carry out an operation with the least possible casualties for the army, without its even asking itself what the price would be for the other side".[15]

31. The testimonies were anonymous, and it has been impossible up to this point to contact any of the soldiers for further clarification. At the same time, there is no indication that such testimonies lacked authenticity. Most commentary on Breaking the Silence stressed the Forces breakdown of respect for the Geneva Conventions and limits on war fighting embedded in the laws of war. Some observers also placed value on the report as a more trustworthy narrative than the official Israeli Defense Forces and Israeli response to war crimes allegations, which have consisted of blanket denials coupled with some acknowledgement that a few individual soldiers may have strayed from professional military standards of conduct under battlefield stress. The main Israeli response claimed that the Israeli Defense Forces as a whole took exceptional risks to accord moral and legal protection to the civilian population of Gaza over the course of Operation Cast Lead and acted in a proper professional manner under difficult combat conditions.

32. Even more important than this alternative picture of Israeli Defense Forces behaviour in relation to Operation Cast Lead and international humanitarian law was the whole question as to whether the use of modern military technology in the densely populated setting of the Gaza Strip could ever have conformed to the requirements of that law. One of the soldiers expresses this concern in the following language: "In urban warfare, anyone is your enemy. No innocents. It was simply urban warfare in every way".[15] Or "No accountability in such a zone whatever we do is fine ... 'sons of light' against 'sons of darkness'" and " ... the assumption is that everyone is a terrorist, and then it's legitimate to do anything we please".[15] In

this spirit, for instance, it was practice to treat any Gazan seen at a great distance with a cell phone as a terrorist. What comes across is that the context of combat in Operation Cast Lead on the ground was such that war crimes were indistinguishable from the logic of the military operation.

33. It is true that Hamas militants were capable of disguising themselves as civilians, that anyone could be a threat, and that it is normal for a military undertaking to minimize casualties to itself. The soldiers' testimonies indicate that the process of doing this produces grossly disproportionate harm by way of casualties to innocent civilians and devastation of the urban environment. In other words, the argument is less about the departure from international humanitarian law guidelines in the military operation than questions about the inherent disconnect between that law and urban warfare on such a scale, especially under conditions where the civilian population is denied the option of exit or shelter. Although, to be sure, there were specific departures, as in the case of using white phosphorus shells and bombs and tank flachette shells in areas with dense civilian populations. Such practices amount to indiscriminate attacks and would seem flagrant violations of article 35(2) of Protocol I additional to the Geneva Conventions of 12 August 1949 relating to the protection of victims of international conflicts: "It is prohibited to employ weapons, projectiles and materials and methods of warfare of a nature to cause superfluous injury or unnecessary suffering."[16]

34. At the very least, there is a burden of persuasion on those who have recourse to such a use of military power. According to Israel, such an operation was necessary to remove a major security threat. Here, one is struck by the relative absence on the part of Israeli commanders of any effort directed at removing the threat of future rocket attacks. As has been argued in a previous report, and mentioned above, diplomacy offered Israel a promising path to address the important security interest associated with diminishing or even eliminating rocket fired into southern Israel from across the Gaza border. The most that was told to the soldiers by their commanders was that Operation Cast Lead was somehow a response to the rockets or, more specifically, that "we're going in to create appropriate conditions for the negotiation to bring Gilad Shalit home".[15]

35. It is the judgment of the Special Rapporteur that Operation Cast Lead discloses that urban warfare, fought on the ground, from air or sea, cannot maintain the legal standards of constraints associated with international humanitarian law, more specifically with the special requirements of the Fourth Geneva Convention and Protocol I associated with the protection of civilian, particularly in circumstances of prolonged occupation. In this respect, the Israeli claim of adherence to the restraints of international law is unconvincing, as demonstrated by the evidence of combat practices and de facto rules of engagement; equally unconvincing are contentions that Israeli soldiers in the field should be the main concern of investigation and potential accountability. Instead, the focus should be upon high military commanders and political leaders who devised such an operation, as well as on the limits on military power in the first place.

36. One of the most celebrated legal guidelines on war fighting is contained in article 22 of the annex to the 1899 Hague Convention II on the Laws and Customs of War on Land: "The right of belligerents to adopt means of injuring the enemy is

[16] United Nations, *Treaty Series*, vol. 1125, No. 17512.

not unlimited." Article 35(1) of Protocol I expresses the same general sentiment: "In any armed conflict, the right of the Parties to the conflict to choose methods or means of warfare is not unlimited".[16] Urban warfare of the sort carried out in Gaza during Operation Cast Lead seems to exceed those limits; however vague they may seem to be as formulated in 1899, the time may have come in 2009 to give them concrete application to the circumstances of modern urban warfare. In other words, it is of great importance to focus on the war itself rather than to limit inquiry to the alleged unlawful practices and tactics.

III. Settlements in the Palestinian territories and their impact on the enjoyment of human rights

37. The Israeli settlements in occupied Palestine have recently received great attention as a result of President Barack Obama's widely publicized call for a "freeze" on settlement expansion as an essential step to revive negotiations looking towards a solution of the underlying conflict. President Obama has also asked Arab governments to reward Israel if it agrees to impose a freeze, implying that Israel would be taking a constructive political step for which it deserves to receive encouragement by way of reciprocity. So far the Israeli leader, Prime Minister Benjamin Netanyahu has agreed only to disallow the establishment of new settlements or an expansion of the land area under the control of existing settlements. However, he has insisted that the "natural growth" of West Bank settlements must be allowed, and further, that settlements in East Jerusalem will not be treated as part of any partial freeze. It should be observed that this controversy has been carried on without reference to Palestinian rights under international humanitarian law as if law is irrelevant, and the matter of the settlements is a purely political issue between the parties.

38. For this reason, it is important to recall what has been argued in several previous reports of the Special Rapporteur, that the settlements as such are unlawful under article 49(6) of the Fourth Geneva Convention that clearly states that "The Occupying Power shall not deport or transfer parts of its own civilian population into the territory its occupies".[17] This widely shared legal assessment was authoritatively confirmed by the International Court of Justice in the course of its advisory opinion of 9 July 2004 on the construction of a security wall: "Israeli settlements in Occupied Palestinian Territory, including East Jerusalem, are illegal and an obstacle to peace and to economic and social development ... [and] have been established in breach of international law."[1] At present, there are reported to be 121 settlements on the West Bank, 12 situated on land annexed after 1967 by the city of Jerusalem, and about 100 "outposts", which are physical presences established by the settler movement without receiving legal authorization from the Israeli Government.

39. From a legal perspective, acknowledging the relevance of Palestinian rights under law, any bilateral understandings between the United States and Israel, such as the Bush/Sharon exchange of official letters on 14 April 2004, assuring Israel that the large settlement blocs will be incorporated into the future borders of the Israeli State, are completely without legal value. The most important language in the letter

[17] United Nations, *Treaty Series*, vol. 75, No. 973.

of President Bush is the following: "In light of the new realities on the ground, including the existing major Israeli population centres, it is unrealistic to expect that the outcome of final status negotiations will be a full and complete return to the armistice lines of 1949 ... ". This is even more the case with respect to the effect of supposed informal understandings between the United States and Israel on natural growth of settlements despite the freeze commitments made formally in the Annapolis Declaration of December 2007. According to monitoring groups in actual fact, "tenders for new settlement building increased by 550 per cent from 2007. Actual settlement construction has increased by 30 per cent since the launching of the new round of peace talks. Settlement building around Jerusalem has increased by a factor of 38".[18]

40. It is an elementary principle of law and equity that any understanding between two parties cannot alter the legal rights of a third party. At most, such an understanding, even in the form of a contract, has only a bearing on the political expectations that exist between the two parties, in this case Israel and the United States. It is also true that within Israel itself the American call for a settlement freeze has aroused passionate forms of opposition, including the renewed efforts by the settler movement to establish in the West Bank settler "outposts" that are illegal even under Israeli law.[19] Rabbi Ovadia Yosef, spiritual leader of the ultra-orthodox Shas Party in Israel, a partner in the ruling coalition, has angrily repudiated the idea of a settlement freeze: "American insidiousness tells us to build here and not to build there as though we were slaves working for them."

41. In point of fact, Israel has throughout the entire period of the occupation expanded the population and territorial domain of the settlements: "In the two decades from 1972 to 1993, Israel increased the number of settlers in the West Bank, not including Jerusalem, from 800 to 110,600. In the following ten years — which roughly coincided with the Oslo peace process — the number increased at twice the rate, exceeding 234,000 in 2004. In East Jerusalem, the settler population jumped from 124,400 in 1992 to almost 176,000 in 2002."[20] The most recent estimates of settler population put the number in the West Bank at about 300,000, with an additional 200,000 in East Jerusalem.

42. Further settlement growth, quite apart from the freeze issue as it relates to a resumption of "peace" negotiations, is a continual encroachment on Palestinian rights of self-determination, as well as an overall violation of the basic obligation of the occupier under the Fourth Geneva Convention to protect the property and societal prospects of an occupied population. Therefore, during a period when the road map was supposed to curtail settlement growth, actual Israeli behaviour went in a quite opposite direction.

43. As summarized in the letter of Palestinian human rights organizations to the Swedish Foreign Minister, Carl Bildt: "The population growth rate of Israeli settlers in the occupied West Bank, including East Jerusalem, is 4.7 per cent, compared to an annual growth of the Jewish population in the State of Israel, which is 1.7 per cent.

[18] *Palestine Monitor*, "Israeli Settlements", updated 17 December 2008. Available from http://www.palestinemonitor.org/spip/spip.php?article 7.

[19] See Ethan Bronner, "West Bank Settlers Send Defiant Message to Obama" (*The New York Times*, 30 July 2009).

[20] See Ali Abunimah, *One Country: A Bold Proposal to End the Israeli-Palestinian Impasse* (Metropolitan Books, November 2006).

Thus, the smokescreen of 'natural growth' is used to mask continuing emigration of Jewish-Israeli settlers to the West Bank, as well as the creation of essentially new settlements appended to existing ones."[8] Some observers argue that these figures exaggerate the threat posed by this settlement growth, insisting that most of the growth is in haredin non-Zionist settlements, such as Modi'in Illit and Beitar Illit, currently with 45,000 residents who seem ready to move if given alternative housing within pre-1967 Israel as part of a solution to the underlying conflict.

44. Others question this flexibility, and the militant wing of the settler movement is adamantly opposed to any retreat from the present contours of the settlement phenomenon, and regard openly and deliberately the expansion of the settlements as the best insurance against the Palestinians ever establishing a sovereign State of their own, or at least a viable sovereign and independent State.

45. House demolitions unrelated to any security pretensions have been a major device in extending Israeli control over the West Bank in a manner that impairs Palestinian rights. As many as 277 homes were demolished in 2008 within the occupied Palestinian Territory, with East Jerusalem being most affected. Between January and July 2009, the Office for the Coordination of Humanitarian Affairs (OCHA) recorded the demolition of 221 Palestinian-owned houses, which displaced over 500 people.[21] These demolitions, besides being extraordinarily inhumane, impair Palestinian prospects for self-determination. A complementary technique relied upon in Jerusalem is the denial of building permits even to long-term Palestinian residents as part of a continuing effort to change the demographics of the city in Israel's favour.

46. The settlements also pose an additional problem for the maintenance of human rights and compliance with the Fourth Geneva Convention. The location of Israel's unlawful security wall has the effect of placing an estimated 385,000 settlers between the wall and the Green Line, while entrapping approximately 93,000 Palestinians on the Israeli side of the wall, sometimes cut off from their agricultural lands and parts of their villages, as well as from the West Bank generally.

47. There are several intertwined issues relevant to the mandate: (a) the settlements, and any further expansion, are a major unlawful impediment to the realization of the Palestinian right of self-determination; (b) if Israel accepts a freeze on unlawful settlement expansion it seems unreasonable for it to receive some kind of reciprocal gesture from the Arab governments, that is, should Israel be rewarded for doing what it was legally required to do in the first place; (c) agreements between Israel and the United States are legally irrelevant with respect to the settlements as only the Governments of Israel and the Palestinian Authority have the authority to determine their status in the context of peace negotiations; (d) Israel as occupying power has an underlying legal obligation to dismantle existing settlements, including those in East Jerusalem, and not interfere with Palestinian growth and development. This conclusion has also been reached by B'Tselem, the respected Israeli human rights organization, recommending a "humane" dismantling that respects settlers' human rights, including compensation for any loss.[22]

[21] See OCHA, "The Humanitarian Monitor", July 2009. Available from www.ochaopt.org.

[22] See "Land Expropriation and Settlements". Available from www.btselem.org/English/settlements.

IV. The wall and its legal implications

48. The date of 9 July 2009 marked the fifth anniversary of the Advisory Opinion of the International Court of Justice on the security wall, still being constructed mainly on the territory of the occupied West Bank, so designed as to be 86 per cent on West Bank territory. The wall was supposed to extend for 723 kilometres when finished, which is twice the length of building the wall along the Green Line and which would have saved Israel an estimated $1.7 billion of United States dollars. At present it is reported to be only about 60 per cent complete after a construction effort that has gone on for seven years, with latest reports indicating that construction has been suspended for budgetary reasons despite the claimed necessities of security. The Ministry of Defense and public opinion of Israel credit the wall with improved security within Israel; the significant reduction in terrorist incidents in recent years is invoked to confirm this claim. Critics, including the leadership of the Palestinian Authority, call for the dismantling of the wall, contending that it is a land grab unrelated to security that has caused great hardship to the Palestinians living near to or on the Western side of the wall, as well as being unlawful as located.

Israel's unlawful occupation: crisis of authority in international law

49. Despite the diversity among the 15 judges of the International Court of Justice, they voted 14 against 1 on the main issues of international law concluding: "... the construction of the wall being built by Israel, the occupying Power, in the Occupied Palestinian Territory ... [is] contrary to international law ... Israel is under an obligation to cease forthwith the works of construction ... to dismantle forthwith the structure therein situated ... to make reparation for all damage caused by the construction of the wall".[1] On 20 July 2004, the General Assembly at its tenth emergency special session voted overwhelmingly[23] to insist that Israel comply with the rulings of the International Court of Justice, and also called upon the General Assembly and the Security Council to consider what further action was required to end the illegal situation resulting from the construction of the wall. The Assembly in its resolution ES-10/15 also called upon all States Member of the United Nations to comply with their obligations as mentioned in the advisory opinion of the International Court of Justice, the United Nations highest legal body. Attention was particularly called to the obligation of States not to render aid or assistance in maintaining the situation created by such construction. Many subsequent resolutions adopted overwhelmingly by the General Assembly as well as the Human Rights Council have renewed the call on Israel to comply with its legal obligations, as mentioned in the advisory opinion.[24]

50. As is undisputed, Israel has rejected the findings of the International Court of Justice, indicating that it will only adhere to the rulings of its own national judicial system. It has done so, upholding a series of decisions by the Israeli Supreme Court that order the relocation of the wall so as to lessen the harmful impact on Palestinian

[23] A number of 150 Member States voted in favour, and six against (Australia, Micronesia, Israel, Marshall Islands, Palau, United States).

[24] See General Assembly resolution 63/97 (adopted on 5 December 2008 by a vote of 171 to 6, with 2 abstentions), para. 6; see also Human Rights Council resolution 10/18 (adopted on 26 March 2009 by 46 to 1, with no abstentions), para. 8.

communities. It is true that an advisory opinion of the Court is "non-binding" as a direct decision, but it represents an authoritative assessment of the relevant international law. Even though the findings are not directly binding, they present a definitive set of conclusions as to the requirements of international law under the circumstances. When the conclusions reached are so overwhelmingly supported, then there is no basis for "the law" to be inconclusive or contested. Such an assessment is strengthened here because the lone dissenting judge, from the United States, indicated in his Declaration that he accepted most of the legal analysis made by the majority. However, he felt that no firm conclusions could be reached without a better appreciation of the Israeli security arguments for locating the wall on the occupied territory.

51. As with the confirmed reports of war crimes, the non-implementation of the legal conclusions of the Court is extremely damaging to the authority of international law, of the Court, and of the United Nations generally. An unfortunate message has been delivered: the authority of the international community has been defied by a Member State of the United Nations, harm has been inflicted on a civilian population that is supposed to be under the protection of international law, and neither States nor the organs of the United Nations do anything about it. As with other aspects of the conflict, the failure to uphold Palestinian legal rights and the treatment of the Court both constitute a crisis of authority and reinforce for the Palestinians the idea that it is no help to have international law on its side.

52. Israel can defy with impunity its international legal obligations. The combination of an insistence that Palestinians renounce all forms of armed resistance and the failure to respect legal rights coupled with United Nations inaction in relation to this failure constitutes the current Palestinian dilemma. What is to be done by the Palestinians under such circumstances? Israeli columnist Gideon Levy explains the currently cynical Israeli approach to peace negotiations as an outgrowth of this situation: Israelis are not paying any price for the injustice of occupation. Life in Israel is just peachy. Cafes are bustling. Restaurants are packed. People are vacationing. Who wants to think about peace, negotiations, withdrawals — the "price" that might have to be paid. The summer of 2009 is wonderful. Why change anything?[25]

53. It should be noted that the issue of unlawfulness arises almost exclusively as a result of building the wall on the occupied Palestinian Territory. If the wall had been built along the Green Line or inside pre-1967 Israel, it might have generated moral and political criticisms associated with such a coercive and hostile form of separation, but not legal objections. The Berlin Wall was not challenged legally, but it was symbolic of what was wrong about East Germany and the Soviet approach to world order. If the Soviet Union had dared to build the wall even a few feet on the West Berlin side of the dividing boundary it could have well provided the trigger of World War III. It is notable that current American fence-building along the Mexican border, while controversial, is scrupulously respectful of Mexican territorial sovereignty. If a State or political community is not as powerless as Palestine, law and respect for territorial rights are generally respected.

[25] See Jerrold Kessel and Pierre Klochendler, "Mideast: Building Peace on an Incomplete Wall" (Inter Press Service, 27 July 2009).

54. Palestinian protests against the wall continue in several sites in the West Bank, most notably weekly demonstrations near the towns of Bil'in and Ni'ilin. Israel has responded with rubber bullets, tear gas, and arrests, with several deaths and many injuries resulting. It would appear that Israeli security forces have been using excessive force in violation of their basic duties under international humanitarian law as the occupying Power.

V. Recommendations

55. **The following recommendations drawn from the body of the report are emphasized as matters of urgency:**

(a) **The General Assembly should request an advisory opinion from the International Court of Justice on the obligations and duties of Members States of the United Nations to cooperate with the Organization and its representatives;**

(b) **Members States should be encouraged to use national means, including courts, to fulfil their obligations under the Fourth Geneva Convention, articles 146 to 149, with respect to implementing international criminal law as pertains to the occupied Palestinian Territory;**

(c) **Israeli respect for international law and Palestinian rights should henceforth be an integral element in future peace negotiations;**

(d) **Consideration should be given to imposing limits on the supply of arms to the parties to the Israel/Palestine conflict;**

(e) **The unlawfulness of Israeli settlements should be confirmed, and steps taken to move beyond the freeze, and in the direction of dismantling, with due respect for the human rights of all affected;**

(f) **Consideration should be given to requesting the International Committee of the Red Cross or some other designated body to study and make recommendations as to the special problems arising from prolonged occupation.**

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Eradication of poverty and other development issues

Human resources development

Report of the Secretary-General**

Summary

The present report, prepared in response to General Assembly resolution 62/207, provides an overview of human resources development strategies, including progress and challenges in their implementation and lessons learned. It draws examples from countries with and without comprehensive national human resources development strategies and highlights the implications of adopted human resources development strategies for the economic and social development of those countries. The report builds on a growing consensus about the mutually reinforcing relationship between human resources development and sustained economic growth and urges countries to adopt comprehensive human resources development strategies as a means for achieving the Millennium Development Goals and promoting economic and social development. As stipulated by the Assembly, the report focuses on the role of the international community, the United Nations system and other entities, including the private sector, in promoting human resources development, and makes recommendations for future steps. The report also describes the critical role of human resources development in mitigating the worst effects of the global economic crisis and building a foundation for sustainable recovery.

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** The submission of the present report was delayed in order to allow time for consultations during the final stage of preparation of the report.

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I. Introduction

1. There is growing empirical evidence of the mutually reinforcing relationship between human resources development and sustained economic growth. Sustained economic growth is dependent on healthy and skilled human resources, and economic growth in turn promotes further human resources development. Empirical evidence[1] has demonstrated that countries that have invested in human resources development are more likely to enter a virtuous economic growth cycle, while those that have not are more likely to continue to experience limited levels of economic growth and development, with human resources that are underutilized or lack the critical skills and competence necessary to promote innovation to sustain economic growth.

2. In its resolution 62/207, the General Assembly recognized the importance of human resources development in promoting sustainable development and encouraged Governments to integrate human resources policies into their national development strategies. By the same resolution, the Assembly requested the Secretary-General to analyse the implementation of human resources development strategies, in particular on lessons learned and the role of the international community and other entities, including the private sector, in assisting these efforts.

3. The formulation and implementation of effective human resources development strategies that pave the way for achieving the Millennium Development Goals and lead to a path of sustained economic growth and social development often require resources and capacities that are not always available in developing countries. Despite considerable efforts made over the years to promote human resources development, Governments continue to face insurmountable challenges in developing a sufficient pool of human resources capable of responding to the country's economic and social needs. Unstable macroeconomic structures, income inequalities, unemployment, poverty, the spread of infectious diseases such as HIV/AIDS and malaria, brain drain, conflict and other issues have often challenged and sometime reversed progress made in this regard.

4. The downturn in global economic growth that followed the global financial crisis is likely to diminish further the ability of many countries, especially developing countries, to cope with and address human resources development challenges and formulate and implement effective strategies. Paradoxically, human resources development is even more critical in the current economic downturn in order for countries to mitigate the worst effects of the financial crisis and build the basis for future and sustainable recovery. It is therefore necessary to rethink and improve existing human resources development strategies to make them more responsive to local needs and to strengthen international support for the efforts of developing countries to promote human resources development to enhance their resilience to externally induced changes in the economy, including as a result of technology, trade, climate change and economic shocks.

[1] For instance, Gustav Ranis and Frances Stewart, "Dynamic Links between the Economy and Human Development" in *Policy Matters: Economic and Social Policies to Sustain Equitable Development*, José Antonio Ocampo, Jomo K. S. and Sarbuland Khan, eds. (London, Zed Books Ltd., 2007); Gustav Ranis and Frances Stewart, "Successful transition towards a virtuous cycle of human development and economic growth: country studies", Economic Growth Center discussion paper No. 943 (New Haven, Connecticut, Yale University, 2006).

5. The present report takes stock of the experience of a cross section of countries in implementing human resources development strategies and examines progress, challenges and prospects for the future. In particular, the report focuses on (a) experiences in implementing human resources development strategies; (b) the role of the international community, including the United Nations system, and other entities such as the private sector, in assisting national and regional human resources development efforts; and (c) recommendations for future steps to promote and support effective and sustainable human resources development.

II. Experiences and lessons learned in the implementation of human resources development strategies

6. The degree of success of efforts to improve the quality and sustainability of human resources development has varied, depending on the specific circumstances and policy choices of individual countries. National and regional experiences have differed significantly on the basis of specific circumstances in each country, for example, macroeconomic structure, such as levels of savings, investment, foreign direct investment and trade, and such factors as the labour market, economic competitiveness and income distribution. Other factors have also had an impact, for example access to technological innovation, the role of the private sector in the delivery of services, the incidence of diseases such as HIV/AIDS in the workforce, brain drain and the global financial and economic crisis.

7. In the following section, country experiences are analysed in four major groupings: (a) countries with dynamic, comprehensive national human resources development strategies, typically countries with advanced economies; (b) countries with rigid national human resources development strategies, many of which have not managed to be flexible in the face of changing human resources development needs in response to evolving market conditions and the restructuring of their economies; (c) countries with good initial conditions of human resources development but without a comprehensive strategy, typically countries with emerging economies; and (d) countries without good initial conditions of human resources development, and without comprehensive strategies, or those that have faced difficulty implementing human resources development strategies. Those countries are typically low-income or least developed countries.[2]

A. Countries with dynamic, comprehensive national human resources development strategies

8. Many countries that have implemented comprehensive national human resources development strategies have embarked on a path of sustained economic

[2] This section is based on a number of references, including *Advances in Developing Human Resources*, vol. 8, No. 1 (2006), and vol. 6, No. 3 (2004); Department of Economic and Social Affairs, "World economic situation and prospects report 2009: update as of mid-2009" (New York, United Nations, 2009); International Labour Organization, *The Financial and Economic Crisis: a Decent Work Response* (2009); Asian Development Bank, *Asian Development Outlook 2009: Rebalancing Asia's Growth* (2009); Organization for Economic Cooperation and Development, *African Economic Outlook 2009* (2009); World Economic Forum, *The Africa Competitiveness Report 2009* (2009).

growth. In those countries, technology and human capital, sometimes in the absence of large natural resources, are the core elements of strategic economic plans and the main driving force of their high growth performance. Investments in capital have been accompanied by investments in the formation of healthy, highly educated skilled workers who have not only increased labour productivity but have also used capital and technology more efficiently. That, in turn, has promoted sustained economic growth, employment generation, widespread social development and a reduction of poverty. Human resources development strategies continue to be an integral part of national economic and social policies and are continually revised and adjusted to reflect national development objectives.

9. In those countries, economic policies often identify future human resources needs in order to maintain a competitive workforce that is responsive to the changing needs of the economy. Those identified needs are translated into human resources development programmes for retraining, skills upgrading and lifelong learning. As a result, the educational systems of many of those economies have expanded from primary to vocational secondary education to technical junior colleges and, finally, to engineering and science-oriented tertiary education, in order to enable their workforces to meet rapidly changing human resources requirements and advance economic growth.

10. In many cases, a multidepartmental approach has allowed Governments to identify human resources needs in the medium and long term for various sectors of the economy and to translate those needs into national human resources development policy targets for the specific skills required by the national economy. The establishment of a national human resources development system to coordinate, manage and implement plans, policies and strategies is essential to develop human resources and expand human capital to respond to the required skills. Human resources development councils are often included in such systems to administer funds contributed by employers for the training of employees. To achieve national human resources development policy targets and develop such skills, a plethora of public and private organizations, including universities, polytechnics, schools, institutes for technical education and other lifelong learning institutions, has been engaged in the development of the required skills. As a result, the educational programmes of such countries are consistent with their education needs.

11. In such comprehensive national human resources development strategies, the private sector often cooperates with the Government and other institutions in human resources development. For example, in some countries a tripartite system is developed, in which employers, unions and the Government cooperate in the formulation of the national human resources development strategy. Such a system also coordinates funding strategies for skills training programmes and funding schemes in which employers are encouraged to continue to train and upgrade their workforces through, for instance, the establishment of skills development funds. That kind of system facilitates the integration of economic, labour market and human resources policies.

12. Comprehensive human resources development strategies have, in some countries, included not only increased investments in education and in research and development, but also a concerted effort to attract human resources previously lost to brain drain. As those countries have especially targeted high-tech engineers and scientists from developed countries, the returned workers have helped boost

domestic production and exports. Consequently, a significant percentage of science-based industries, research and development institutes and science parks in those countries are currently led by returned workers.

13. Comprehensive and successful human resources development strategies have enabled some countries to avoid the worst effects of the economic crisis. In particular, countries that have flexible human resources and sound macroeconomic policies, including labour market flexibility and a high level of savings, have been better able to adjust to the economic downturn. Rising unemployment, however, carries an adverse impact on human resources development. The challenge for those economies is to implement policies that strengthen existing safety nets and protect vulnerable groups. As such, the overall challenge lies in continuing the implementation of national human resources development strategies and in maintaining financing for human development.

B. Countries with rigid national human resources development strategies

14. Often in countries with economies in transition, the nationwide strategy to develop human capital as part of an overall strategy for economic development and modernization is challenged by the needs of the evolving economy. The emphasis in those strategies has often been on the training and retraining of human resources to match labour skills with the needs of the industrial sector at the time when the strategy was formulated. Especially in countries with highly centralized economies, that has led to training and educational systems that prepare individuals, including managerial personnel, to perform specific roles and tasks related to their employment rather than ones that promote diverse and flexible skills to adapt to the changing needs of an evolving economy. As those countries move towards more decentralized, market-oriented and open economies, their economic growth and transformation trigger an increasing demand for highly skilled and diverse human resources. As a result, a minority of university graduates has the skills required by the economy, while abundant unskilled labour cannot be absorbed by the labour market. Hence, maintaining adequate levels of human resources to respond to that demand and to absorb a growing workforce has become increasingly challenging for those countries.

15. Innovative strategic plans and new funding arrangements are required to readjust the labour force structure to make it more responsive to the demand for high-level professionals and managers and keep pace with surging market competition. New approaches are becoming even more urgently needed in the context of the global financial crisis, which has already increased unemployment rates and poverty in those economies. Stimulus packages alone will not be able to generate enough jobs to absorb the labour surplus, and social protection schemes will be urgently needed to ward off the worst effects of the recession. In the long term, new strategic plans for education, training and human resources development will be needed, to address the need to transition progressively towards an education system focused on science and technology; low capital input into human resources, especially high-level human resources; inadequate training in general; a shortage of skilled workers and high-level human resources; and inadequate matching of workers and jobs. The way those issues are addressed will determine whether human resources development in those countries will be able to support their economic growth in the future.

C. Countries with good initial conditions of human resources development but without a comprehensive human resources development strategy

16. In many countries without a comprehensive human resources development strategy, especially those with emerging economies, high initial levels of human resources development have contributed to economic growth. That growth has been boosted by growing national expenditure on health and education, which has helped to transform unskilled labour into a semi-skilled and professional workforce. Skills and knowledge acquired through primary education contributed to raising labour productivity, while secondary and tertiary education provided managerial and technical training, which led to investments in research and development and technological improvements. High initial levels of human resources development allowed those countries to enter a pattern of sustainable economic growth, in which economic growth and human resources development mutually reinforced each other. As a result, new jobs were created and poverty decreased significantly. The lack of nationwide human resources development strategies has, however, posed some additional challenges to further economic growth and development of human resources.

17. In the absence of comprehensive national human resources development strategies, even the most substantial economic growth and prosperity often remain concentrated in specific regions and areas. Without a comprehensive national human resources development strategy, especially for high-skilled professionals, and given the great reliance on private providers for the delivery of training and education, economic and social development has tended to cluster around areas where education and research institutions have flourished. As a result, the fastest growing metropolises in those countries, which contribute the highest national percentages of exports and economic growth, also tend to house the most well-organized colleges, research institutions, public sector companies and private sector corporations. Despite the triumph of those areas, however, most regions in those countries have remained underdeveloped, and steady national growth has not yet translated into poverty reduction, human resources development and social development. As a result, a high percentage of the population continues to live below the poverty line and a large portion of the labour force continues to work in the informal sector. The global economic downturn is likely to hit those countries harder than economies that have adopted more balanced human resources development policies. The current world economic crisis will indeed worsen the condition of a large portion of the population already living in poverty and will put considerable pressure on Government spending to provide additional social protection and safety nets.

18. Through market reforms and liberalization, in some countries the market, rather than comprehensive human resources development strategies, has become the central mechanism for determining resource allocation and investment in training. The decentralized market-led approach to education and training often includes the establishment of private institutions, such as technical education centres and professional institutes, designed to respond to the growing demand without placing a burden on the existing university system. Private firms have been able to decide for themselves the nature and extent of training to be funded, often through Government tax rebates. Some Governments have also launched other initiatives to encourage small- and medium-enterprise development and vocational grants to train

the most disadvantaged groups. The rationale of a decentralized, demand-driven system for training and education was not only that would such a system be more responsive to the needs of the industry, but that competition among private education and training providers would ensure a more efficient allocation of resources in the process. Those reforms have indeed facilitated a more efficient allocation of resources in the training process and greater responsiveness to the needs of individuals and enterprises in many countries. In some cases, the reforms have also led to organizational change, helped support skills development among groups excluded from the labour market and generally facilitated economic restructuring.

19. The use of the market mechanism for allocating resources at the secondary and higher education levels has, however, also exacerbated social and income inequalities in many countries by limiting access to education and training to those who can afford private education. While the decentralized, market-driven approach has been an effective means for the State to reduce the public sector deficit and share costs with local municipalities, enterprises, individuals and parents, the lack of an overall national human resources development framework has made it difficult to see how the different components of the Government's education and training system fit together and support each other. That has led to a training and education system characterized by unequal access to and an uneven quality of primary and secondary education and an imbalance in the distribution of funding, with educational resources mostly directed to higher levels of education, especially engineering scientists and doctors, while primary and secondary education are deprived of funding. The market-oriented environment has also reduced the incentives at the higher educational level to engage in research and development, which are national engines of technological innovation and economic development.

20. In addition, a variety of actors, including private educational institutions, Government agencies, domestic and multinational corporations and non-governmental organizations, has emerged to fulfil national education and training needs. In that context, as they stepped into the gap left by traditional education organizations, informal actors have been able to provide a critical service and have helped address deep-seated human resources development deficiencies and imbalances. The role of multinational corporations has been especially important in that regard, as it has provided resources and capacities otherwise not available in those countries. However, multinational corporations tend to address their specific business needs rather than provide broad-based education. The limitations of the training opportunities and capabilities offered by such corporations may also create notable impediments to the implementation of a successful national strategy for human resources development, as the objectives of multinational corporations might differ substantially from national ones. In the current economic climate, the sustainability of the human resources development provided by multinational corporations can be questioned as companies seek to lower expenses and decrease operations.

21. Some of those countries, in recognition of the strong influence that multinational corporations have on the training and development of their citizens, have begun to actively engage multinational corporations, along with other relevant actors, such as trade unions, in identifying needs and developing employee skills for the formulation and implementation of human resources development activities. In many instances, trade unions have come to recognize their role in ensuring the

existence of critical skills outside of specific company needs and have begun to address those more general labour force requirements. The inequalities of traditional education systems are also beginning to be addressed by the involvement of these actors, but the absence in some countries of a comprehensive national human resources development strategy that identifies national human resources development needs and targets makes it difficult to see how all the needs and targets fit together in the pursuit of national human resources development and development objectives.

D. Countries that lack good initial conditions of human resources development and that lack comprehensive human resources development strategies or face difficulty implementing such strategies

22. In many developing countries, especially in the least developed countries, the development of human resources is critical to the achievement of economic growth and social development. Economic growth in those countries continues to be constrained by underdeveloped infrastructure, inefficient basic education and health-care systems and poor institutional frameworks. In addition, widespread poverty, rising inequality, high unemployment rates, a shortage of professional labour, gender inequality and poor health pose challenges for progress in human resources development and the achievement of economic growth. The lack of economic diversification, low global competitiveness and the low level and productivity of human resources also hinder the ability of those countries to enhance economic growth and overcome those challenges. As a result, the ability of those countries to translate possible economic growth into social development continues to be constrained.

23. One of the major challenges in human resources development faced by those countries is the weak link between education, training and employment. Even in some countries that have been successful in using their natural resources to achieve moderate economic growth and social progress, including some of the Millennium Development Goals, in the absence of a comprehensive human resources development strategy, it has been difficult to match the needs of the economy with the training of the workforce. Despite high spending on education to accommodate population growth and achievements in enrolment at both primary and secondary levels, with gender parity at all levels of education, the quality of education in those countries remains low and the links between training, education and the labour market are weak. Strengthening those links will require incorporating business and entrepreneurial skills into the educational and training system and promoting a culture focused on productivity, skills and performance. The financial burden of the global financial crisis, however, is likely to put additional pressure on already stretched Government spending, which will considerably limit the capacity of Governments to implement those provisions.

24. Even though human resources development policies in some of those countries have gone through important transformations to address internal economic and social needs, the implementation of national human resources development strategies remains a crucial challenge. Some countries, for example, have developed a comprehensive human resources development policy framework and supporting

legislation to correct social imbalances and inequalities in the labour market and to develop competitive skills in the workforce, but they continue to struggle with a shortage of skills, high unemployment rates and insufficient job creation. Translating national human resources development strategies and policies into action thus continues to be an important challenge for many of those countries, which often lack sufficient capacities and resources to do so. Promoting implementation will require a comprehensive human resources development investment strategy, a training and education strategy aimed at improving labour productivity and competitiveness for employment and growth and human resources development partnerships, including with the private sector, on education, health and training to ensure the delivery of those services.

E. Additional human resources development challenges

25. Even though the challenges faced by countries vary greatly, depending on their economies, human resources development strategies and their levels of social and economic development, there are certain common challenges faced by many of them. Many countries, especially developing countries and those with economies in transition, struggle to match their labour needs with their educational systems. Frequently, educational resources are focused on high-skilled professionals, such as scientists, engineers and doctors, while critical occupations, such as laboratory technicians, skilled trades, and nurses, are overlooked. In some countries, for example, doctors outnumber nurses, with severe consequences for the health-care system. Technicians are often identified as critical resources for large multinational corporations seeking to locate operations in developing countries. Comprehensive human resources development planning and implementation is therefore needed to meet these challenges, which, if not addressed, can hinder economic and social development.

26. In addition, brain drain continues to be a severe problem in many developing and transitioning countries, threatening achievements in the area of human resources development. In some developing countries, low salaries and dim economic prospects have prompted highly educated professionals to migrate elsewhere. Even though that has usually generated substantial dollar income in the form of remittances, it has simultaneously stripped those countries of the skilled and professional human resources that are crucial for their future economic growth and development. Furthermore, not only have the scarce recourses allocated for human resources development not benefited those countries, they are also contributing to the human resources development of receiving countries, which are often economically advanced. Human resources development strategies should actively address the problem of brain drain and seek new solutions to prevent the migration of skilled professionals or to attract migrants to return to the homeland.

27. The HIV epidemic also threatens the achievements made by economic and social development and human resources development strategies in some countries. HIV is particularly devastating for human resources development because a majority of its victims are taken from the economically active population. Furthermore, HIV draws resources away from other priority areas, reverses national achievements in

there is great concern about the possible loss to HIV of a majority of skilled and experienced labour and a significant reduction in labour supply, productivity, foreign direct investment and economic growth. Addressing HIV and its implications for human resources development thus requires bold action and a substantial increase in the allocation of national and international resources, not only for prevention and treatment but also for measures to reverse the adverse impact of the epidemic on the workforce. In the current economic climate, strong and coherent action is particularly important.

28. The current financial and economic crisis has implications for all countries. The severe decline of demand for foreign products in developed countries has provoked a sharp decline in energy and commodity prices, worsening the effects of the financial crisis for many developing countries, especially those heavily dependent on primary exports, including oil-exporting economies. Among net exporters of commodities, low-income countries are being hit the hardest, as primary exports comprise on average 70 per cent of their total exports and a high share of Government revenue. Many developing countries will feel additional pressure on their current accounts, which might result in higher fiscal deficits and an inability to cover national debt payments. Maintaining financing for human resources development amid declining Government revenues and decreasing social spending remains a crucial challenge.

29. Owing to the global economic and financial crisis, unemployment is already on the rise in many countries and represents a severe challenge in some. Lessons from past financial crises indicate that unemployment and market "informalization" tend to be exacerbated by return migrants and large-scale reverse migration from urban to rural areas. Those trends are more likely to jeopardize poverty reduction structurally, as it may take some time before economies readjust and workers can shift back to activities with higher remuneration. Typically, it takes four to five years for unemployment rates to return to pre-crisis levels after economic recovery has set in. Social protection schemes and programmes, specifically designed for the most vulnerable populations, such as returning migrants and female-headed households, are crucial in mitigating the worst effects of the crisis. Furthermore, vocational, technical and professional training programmes targeting the recently unemployed population or people only now entering the job market could be an additional means of building the human resources development base for future needs. Boosting human resources development is thus critical in helping countries overcome the worst effects of the economic downturn, and should become a national priority.

III. Role of the international community, the United Nations system and other entities, including the private sector, in promoting human resources development

A. Role of the international community, including the United Nations system

global financial crisis and other external shocks, such as the recent energy and food crises and climate change, which risk not only jeopardizing current development achievements but also provoking a human development crisis. International assistance is critical to help developing countries mitigate the impact of the global financial crisis, mobilize capacity and resources, both domestic and external, and continue implementing effective long-term strategies for sustainable economic and social development, including human resources development.

31. The global financial crisis and its impact on the real economy have hit two pillars of the globalization process, international trade and foreign direct investment flows, which will have severe effects on developing countries. The report "World economic situation and prospects" as of mid-2009 (E/2009/73) estimated that trade flows worldwide had sharply declined from the end of 2008 and had continued to decline in the first quarter of 2009 at an annual rate of more than 40 per cent, while for 2009 the volume of world trade was expected to fall by 11 per cent, the largest decline since the Great Depression of the 1930s. Net private capital inflows were estimated to have declined by more than 50 per cent during 2008, and a further dramatic decline of 50 per cent was expected for 2009.

32. The decline of demand for foreign products in developed countries has hit low-income countries especially hard (see para. 28 above). That comes on top of the food and energy crises of early 2008, which have significantly reduced the capacity of many developing countries to adopt countercyclical policies. Increasing income poverty, lower Government revenue and lower public and private spending on social services mean that a significant number of countries will not be able to meet some of the Millennium Development Goals or actively pursue national strategies for poverty reduction, including human resources development strategies.

33. The deepening of the global financial crisis has also exerted a heavy toll on employment worldwide. The unemployment rate could reach 7 per cent in 2009, but the full extent of its impact on job markets and social conditions may not be felt for some time in developing countries. Workers, however, are already visibly shifting out of dynamic export-oriented sectors and becoming either unemployed or displaced to lower productivity activities. Workers who were already in a vulnerable position before the crisis, such as migrant workers, youth and women, will be disproportionately at risk of losing their jobs or suffering income losses, as massive rises in long-term unemployment tend to increase employment informality and working poverty. Both formal and informal social protection mechanisms in many developing countries are thus likely to come under increasing pressure in the face of a significant and durable increase in poverty. According to estimates by the Department of Economic and Social Affairs, between 73 million and 103 million more people would remain poor or fall into poverty compared with a situation in which pre-crisis growth would have continued. That setback will be felt mostly in East and South Asia, where between 56 and 80 million people are likely to be affected. The crisis could also keep 12 to 16 million more people in Africa and another four million people in Latin America and the Caribbean in poverty.

34. Supporting the social welfare of developing countries, increases in social spending to strengthen social protection systems and long-term investments in sustainable development will be vital to allow those countries to mitigate the effects

investment in human capital that will be essential to the long-term recovery of those countries. Social protection schemes will also be critical to build human resource capacities to meet the specific needs of small- and medium-scale enterprises, which will be hurt the most by the financial crisis, in order to enable them to contribute effectively to reducing poverty and generating employment. The continued development of a growing, vibrant private sector, building on the combined strengths of and linkages between large, medium, small and microenterprises, is essential to economic growth, poverty eradication and employment generation. That, in turn, will require critical entrepreneurial skills to operate and manage businesses, along with business development services capabilities to provide entrepreneurs with access to finance, technical know-how, market information and the technical skills to use equipment and employ improved technology that increases productivity. Financing social protection schemes should thus also focus on increasing the supply and quality of trained enterprise managers, workers and public and private officials that can promote and regulate the operations of small- and medium-scale enterprises.

35. International support will be very critical for the efforts of developing countries to create a pool of productive and competitive human resources capable of leading their long-term recovery and sustainable development efforts. The international community can support capacity-building programmes for the design and delivery of human resources development strategies that develop high-quality and competitive human resources to support the transition towards a knowledge-based economy. Support can be targeted at the specific needs of individual countries: training and retraining programmes for professionals, such as teachers, doctors, health workers, public administrators, business entrepreneurs, agriculturists and others; training that targets the most disadvantaged groups, including women, youth and the disabled, with an employment component such as vocational training based on labour-market demand; training of trainers; programmes to develop educational standards and curricula, including monitoring systems; and the provision of "infrastructure" services such as labour-market information, emerging learning technologies and good practices.

36. The international community should ultimately help developing countries to transform the present time of crisis into an opportunity to invest in skills development as a way to anticipate and manage the impact of global drivers of change, such as technology, trade, climate change and economic shocks, and increase their growth prospects. The rationale of that approach is that achieving sustainable development objectives, including the Millennium Development Goals, depends on the availability of sufficient in-country capacity. Financial resources alone, including official development assistance, are not enough to reduce poverty in a sustainable manner. Without well-functioning organizations and a well-performing human resource base, countries will lack the foundations necessary for the roll-out of their national and local development strategies.

37. In addition to long-term human resources development strategies, skills development policies are a critical part of effective responses in times of economic crisis, since what is crucial to the most vulnerable workers in developing countries is to be retrained and reskilled to respond more effectively to new circumstances. These policies should focus on taking advantage of emerging opportunities by

changes; and sustaining a dynamic development process. The international community should help developing countries in formulating these policies and integrating them into broad national development plans and strategies to reduce poverty and achieve the Millennium Development Goals. That framework will provide an opportunity for labour ministers and organizations of workers and employers to encourage line ministries, including ministries of agriculture, education, rural development, commerce and industry and the environment, to take into account the employment impact, job creation potential and skills development implications of their policies.

B. Role of the private sector

38. The private sector can play an important role in promoting human resources development in many ways. It can support the funding of education, training and research institutions or operate them directly. It can also strengthen the link between training and educational systems and the productive sector by training a workforce to match its skills with the needs of the economy. For vocational education and training, the participation of the private sector in the design of curricula, especially for higher education, can effectively contribute to the efficient functioning of enterprises and employers, which is essential for economic development. That becomes even more important as the role of the private sector as employer grows in the economy, along with its role in promoting national competitiveness and economic growth.

39. Experience has demonstrated the importance of the private sector in promoting human resources development, especially in countries that lack the resources and capacities to invest in training and retraining their workforce to match the needs of their rapidly changing economic environment. For example, in some countries, domestic and multinational corporations, private educational institutions and civil society organizations, such as labour unions and religious organizations, play a prominent role in filling the gaps and imbalances of national training and educational systems. The training that corporations offer to their employees is, however, likely to be directed towards meeting their specific human resources development needs and not the broader needs of the country. There is thus a clear trade-off between the training opportunities and capabilities offered by corporations and those that could be offered through learning opportunities funded by the public sector and focused on local and national needs.

40. The useful role that the private sector has played and will continue to play in addressing national educational and training needs and promoting human resources development will be more effective and sustainable in the context of a national comprehensive human resources development strategy. In countries that have adopted a comprehensive human resources development strategy, private organizations and commercial schools for professionals and other categories that work alongside the national education system operate within the context of the national human resources development strategy and are regulated by national quality standards. That ensures consistency in the quality of the educational system as a whole, including both private and public, in the pursuit of national development goals.

41. The private sector and, particularly, public-private partnerships can also play an important role in sharing the financial and human resource burden for delivering social services and improving the efficiency and cost-effectiveness of delivery by increasing competition among social service providers. Evidence shows, however, that, in the absence of an overall framework for human resources development, the outcome of those options, especially in the case of health-care and educational services, remains mixed. On the one hand, a market-driven system to provide health-care and educational services helps reduce the public deficit and ensure a more efficient allocation of resources and a greater responsiveness to the needs of individuals and enterprises; on the other hand, it can also negatively affect the quality of and access to service delivery. In a market-oriented system, there are also fewer incentives at the higher educational level to engage in research and development, which is essential to technological innovation, because it would drive up costs. In addition, access to private institutions tends to be limited to those who can afford them, with the risk of perpetuating existing social divisions and inequalities. In some countries, that approach has not only perpetuated income inequalities but also inhibited their capabilities to further diversify and advance the economy. In other cases, where there were already gross inequalities in educational opportunities, the public-private option has helped reduce the deficiencies of the formal education system. When there is an overall framework for human resources development that allows seeing how the different components of the Government's policies fit together, however, the role of the private sector can be very effective in the delivery of vital services.

IV. Conclusions and recommendations

42. **In the design and implementation of human resources development strategies, the following recommendations should be considered:**

(a) **Integrate human resources development into national development frameworks, including national development policies and strategies to reduce poverty and achieve the Millennium Development Goals, in order to ensure that human resources development implications are taken into account by all national development stakeholders;**

(b) **Continually revise human resources development strategies and adjust them to national development objectives in order to ensure a strong link between education, training and employment. Human resources development strategies should translate into programmes aimed at maintaining a productive and competitive workforce that is responsive to the needs of all sectors of the economy;**

(c) **Promote multidepartmental approaches and mechanisms to allow Governments to identify human resources needs in the medium and long term for various sectors of the economy and translate those needs into national human resources development policy targets and related funding and investment allocations;**

(d) **Establish tripartite systems of employers, unions and Government to facilitate the integration of economic, labour market and human resources**

(e) **Promote the adoption of policies that strengthen existing safety nets, protect vulnerable groups and boost domestic consumption to cushion the effect of the recession and prevent people from falling into poverty;**

(f) **Formulate comprehensive national human resources development frameworks to oversee and regulate entire national training and educational systems (public and private) and ensure equality of access to educational opportunities; quality consistency throughout educational systems; balanced distributions of funding between primary, secondary and tertiary education; and adequate allocation of resources to research and development;**

(g) **International assistance should be designed to help mitigate the impact of the global financial crisis in developing countries; help mobilize capacity and resources, both domestic and external, to formulate and implement effective long-term human resources development strategies for sustainable economic and social development; and support the efforts of developing countries to create a pool of productive and competitive human resources capable of leading long-term recovery and sustainable development efforts;**

(h) **Developing countries should increase social spending to strengthen social protection systems and long-term investments in sustainable development; they should especially address the human resources needs of small- and medium-scale enterprises in order to enhance their contribution to employment generation and poverty reduction;**

(i) **The international community should help developing countries formulate effective skills development policies intended to match the demand for and supply of new skills, taking advantage of emerging opportunities, and facilitate the integration of those policies into broad national development plans and strategies to reduce poverty and achieve the Millennium Development Goals;**

(j) **Enhance the role of the private sector in human resources development, within the context of national comprehensive human resources development strategies, by increasing its support to national education and training needs in ways that promote the efficient functioning of enterprises and employers and match the needs of a rapidly changing economy;**

(k) **Strengthen the role of public-private partnerships in the delivery of social services in order to share the financial and human resource burden, and improve the efficiency and cost-effectiveness of delivery by increasing competition among social service providers within the overall national human resources development framework;**

(l) **Governments should provide incentives and support to private sector initiatives to increase productivity and efficiency through human resources development and technology development, including by encouraging research and development activities and utilization of the latest technologies, particularly information and communication technologies.**